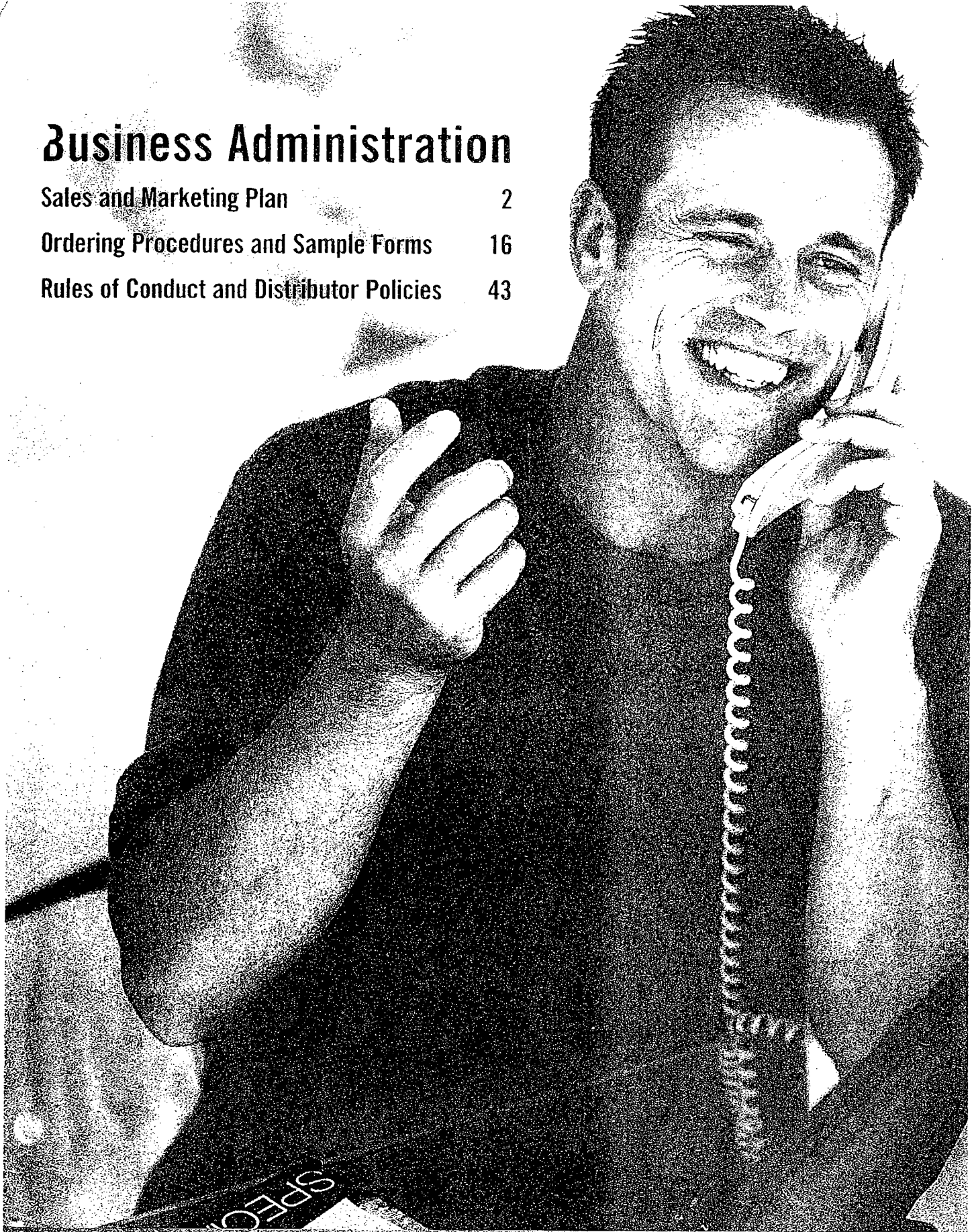


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OVERVIEW

Herbalife's Marketing Plan offers you unique opportunities which can lead to higher levels of success and to great achievement. The plan was developed for Distributors by Herbalife's first Distributor and Founder, Mark Hughes. The result is arguably the best Marketing Plan in the industry. Herbalife's Marketing Plan pays out up to 73% of product revenues to Distributors in the form of Retail and Wholesale Profits, Royalty and bonus income and incentives. This tested, proven business plan is designed to maximize rewards for effort and provide immediate and ongoing income.

The Herbalife opportunity and the Marketing Plan is identical for every Distributor. Each Distributor's success is dependent on two primary factors:

- The time, effort and commitment a Distributor puts into their Herbalife business and,
- The product sales made by a Distributor and their downline organization.

These two factors raise the importance of a Distributor's responsibility to train, support and motivate their downline organization.

The following pages describe the different levels of Herbalife's Sales and Marketing Plan. Each level has specific qualifications and associated benefits to reward Distributors for their efforts and enhance their success.

Becoming a Distributor The Important First Step

To become a Distributor you must purchase an International Business Pack (the official Herbalife Distributor Kit) from an Herbalife Distributor, who becomes your Sponsor.

Registration

You officially become an Herbalife Distributor when your properly completed Application has been processed and accepted by Herbalife Home Office. This process takes only a few days, but in the meantime you are entitled to buy Herbalife products from or through your Sponsor, first upline Fully Qualified Supervisor or from the Herbalife Order Department at the applicable discount. Once your Application has been processed, your contract with Herbalife becomes effective immediately, giving you all the rights, responsibilities, and privileges of a Distributor.

Income Opportunities

The Herbalife Marketing Plan provides many opportunities to earn income and other rewards.

Immediate Retail Profit

25% - 50%

Profit from direct sales to customers

Daily Wholesale Profit

up to 25%

Difference between what you pay for products and what Distributors in your personal organization pay for products

Monthly Royalty Override Income

Up to 5% on three Levels of downline

As a Supervisor you earn up to 5% on the Personal Volume of all of your Supervisors, three active levels downline

Monthly Production Bonuses

TAB Team members can earn an extra 2% to 7% Organizational Production Bonus

Annual Bonuses

A bonus to top achievers in recognition of outstanding performance

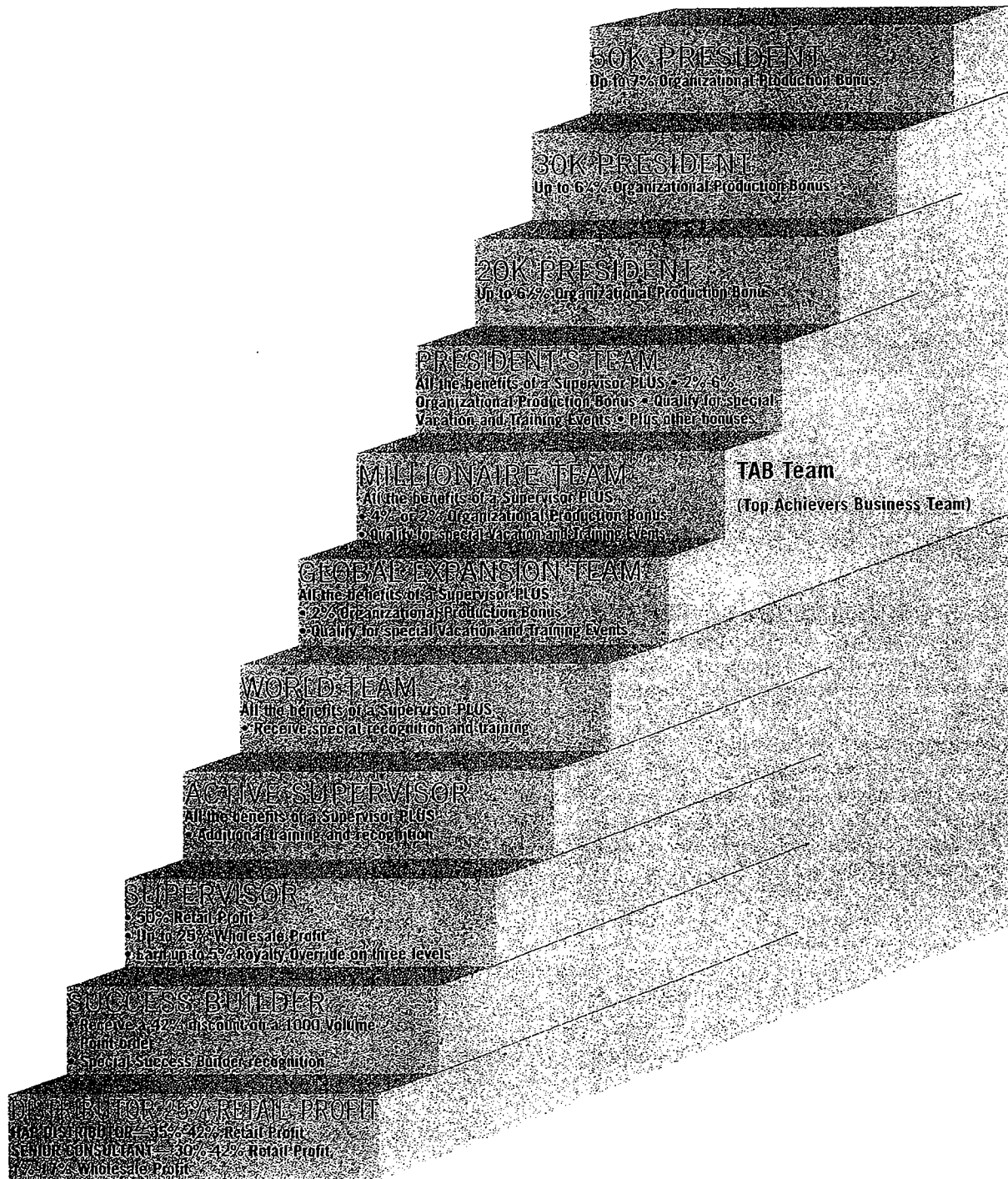
Qualify for Special Vacation and Training Events

Distributors who qualify are rewarded for consistent performance and efforts in building their business

Plus other special promotions and bonuses throughout the year.

SALES AND MARKETING PLAN

The best Distributor Marketing
Plan in the industry



Plus other bonuses and incentives that are announced from time to time

UNDERSTANDING VOLUME

Understanding Volume

Throughout this manual, we use the term "volume" extensively. Volume is a key element in the Marketing Plan and is the basis for qualifying and working your way to higher levels.

Each Herbalife product has a Volume Point value assigned to it that is equal in all countries (see order forms and price lists for exact information). Official Herbalife Distributor Kits (IBPs), literature items and sales tools do not count as volume. As you order products, you accumulate credit for the amount of Volume Points that are applicable to the products ordered. These accumulated Volume Points become your sales production and are used for purposes of qualifications and benefits.

Volume is accumulated on a monthly basis. You begin accumulating volume on the first of every month and continue until the last business day of the month.

Volume is credited to you in various ways depending on who purchased the volume, their status and discount, your own status as a Distributor and other factors of the Herbalife Sales and Marketing Plan. Volume is calculated on the accumulated Volume Point value of products ordered in a Volume Month.

There are a number of ways volume is credited in the Herbalife Marketing Plan. The following definitions and examples illustrate these:

Personal Volume

The volume purchased by you and all others in your downline Distributor organization, down to the first Fully Qualified Supervisor, excluding any orders placed at 50% discount.

Distributors may purchase directly from Herbalife or from their Sponsor or first upline Supervisor. Supervisors order directly from Herbalife. Therefore, if you are a Fully Qualified Supervisor, all of your own orders purchased at 50% count as your Personal Volume, as well as all orders purchased by your downline Distributors, Senior Consultants or Success Builders at 25% - 42% discount.

Group Volume

Group Volume is the volume on orders purchased at a Temporary 50% discount, by Qualifying Supervisor(s) in their qualifying month.

This Temporary 50% Volume is accumulated as Personal Volume for the Qualifying Supervisor who purchased it, but is Group Volume for the Fully Qualified Supervisor. The Fully Qualified Supervisor may earn Royalty Overrides on their Group Volume if all other Royalty Override requirements are met. See "Qualifying as a Supervisor" and "Temporary 50%" sections for complete details.

PERSONAL VOLUME EXAMPLE

	Purchases/ Discount %	Personal Volume
A SUPERVISOR	1,500 Personal Volume Points + B,C & D's Volume	= Personal Volume 2,600
B DISTRIBUTOR	500 Volume Points + C & D's Volume @ 41% Discount	= Personal Volume 1,100
C DISTRIBUTOR	200 Volume Points + D's Volume@ 38% Discount	= Personal Volume 600
D DISTRIBUTOR	400 Volume Points @ 30% Discount	= Personal Volume 400

GROUP VOLUME EXAMPLE

A SUPERVISOR	2,500 Volume Points + B & C's Volume	Personal Volume 6,500 = Group Volume 1000 Total Volume 7,500
B DISTRIBUTOR	1,000 Volume Points @ Temporary 50% Discount + C's Volume	= Personal Volume 5,000
C DISTRIBUTOR	4,000 Volume Points @ 42% Discount	= Personal Volume 4,000

Total Volume

Total Volume is the combined total of a Supervisor's Personal Volume plus Group Volume. See previous example for Supervisor "A"'s Total Volume. Total Volume is the factor on which all qualifications are based.

Organization Volume

Organization Volume is the accumulated volume amount on which a Supervisor earns Royalty Overrides.

Encumbered and Unencumbered Volume

Encumbered Volume is all volume produced by any Distributor qualifying for Supervisor in your personal organization, down to the first qualified Supervisor, who has achieved 2,500 Volume Points or more at 25% - 42% discount, in one Volume Month.

Unencumbered Volume is all volume produced by anyone in your personal organization, down to the first qualified Supervisor, who achieves less than 2,500 Volume Points in one Volume Month, plus all your own Personal Volume. Therefore, this is volume that is not used by anyone for Supervisor qualification purposes.

The example that follows illustrates the use of Encumbered and Unencumbered Volume for each of the Distributors.

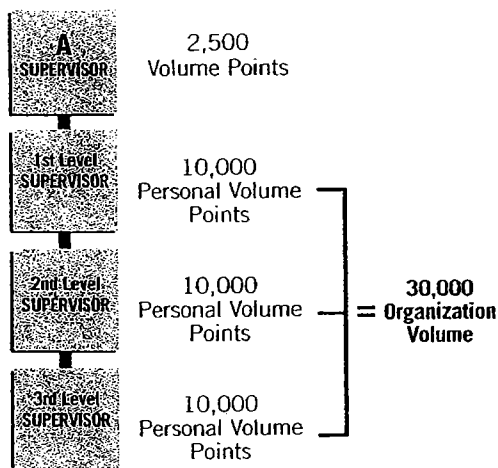
Matching Volume

Matching Volume is the volume a sponsoring Supervisor must have through personal orders or by Distributors in their personal organization in a given month to equal or exceed the volume achieved by their downline Distributor(s) who are qualifying for Supervisor.

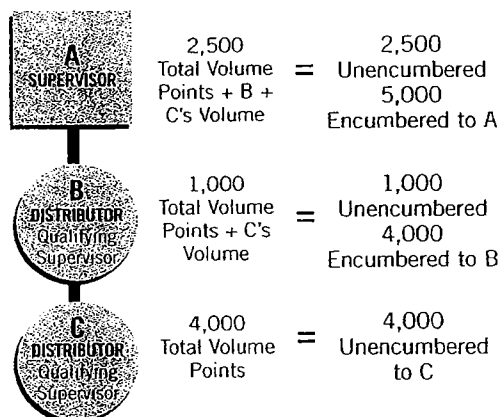
Matching Volume is how Herbalife verifies and validates the qualification of new Supervisors. Whenever a Supervisor sponsors a Distributor to the Supervisor position, the sponsoring Supervisor's Total Volume must be at least the same as the Total Volume of their downline Distributor(s) qualifying within that same month. Without adequate Matching Volume, the new Supervisor will go to the next upline Supervisor.

The Matching Volume example illustrates the amount of Personal Volume and Total Volume that must be achieved by the sponsoring Supervisor for the downline Distributors who are qualifying for Supervisor. In this example, "A", the sponsoring Supervisor, must have at least 4,000 Personal Volume Points and at least 1,000 Group Volume Points in the month that "B" and "C" are qualifying for Supervisor in order to confirm the volume they report on their Supervisor Qualification form. This volume obligation for the Supervisor is considered to be their Matching Volume requirement.

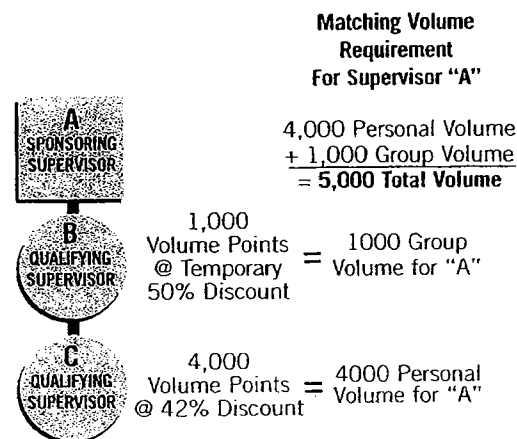
ORGANIZATION VOLUME EXAMPLE



ENCUMBERED & UNENCUMBERED VOLUME



MATCHING VOLUME EXAMPLE



DISTRIBUTOR BENEFITS

Retail Profit

As a Distributor, you may purchase Herbalife products at wholesale at a 25% - 50% discount. As your volume increases this discount will increase up to a maximum of 50% when you qualify as a Supervisor. You earn an immediate Retail Profit of 25% to 50% when you sell these products to customers depending on volume. The difference between the discounted product price paid by you and the retail price paid by your customer is your Retail Profit (see example).

Wholesale Profit (Commissions)

In addition to Retail Profit, as an Herbalife Distributor, you can also earn Wholesale Profit on products purchased by your Distributors. Your Wholesale Profit, also called Commissions, is the difference between the discounted price you pay for products and the discounted price paid by your Distributors.

If you sell products directly to your Distributors you can earn up to 25% Wholesale Profit immediately. If your Distributors purchase their product directly from Herbalife, then Herbalife pays the difference in discount percentage to the Fully Qualified Supervisor on the order during the monthly Royalty Override process. These payments are called Commissions and are Wholesale Profit (see example).

RETAIL PROFIT

Full Retail	Cost (at 25% discount)	Profit
\$100	\$75	\$25

WHOLESALE PROFIT

Retail	Your Cost (at 50%)	Your Distributor's Cost (at 25%)	Your Profit
\$100	\$50	\$75	\$25

Example A: A single order of 400 Volume Points entitles you to a 30% discount on that order.

Example B: If your order was for 800 Volume Points, then that whole order would be purchased at a 40% discount.

Example: You place four 200 Volume Point orders during the month at a 25% discount (800 accumulated Volume Points). If you place an additional 100 Volume Point order during the month, it will be at a 40% discount.

SENIOR CONSULTANT

Improve Your Profits With the Sliding Scale

As you sell more Herbalife products and your Total Volume increases, you are promoted to Senior Consultant and entitled to buy products on a Sliding Scale from 30% to 42% discount off the retail price, giving you a greater profit margin. There are three ways to qualify to purchase on the Sliding Scale.

1. Place a single order of 400 Volume Points or more. This automatically puts you on the Sliding Scale, entitling you to receive this and all subsequent orders at 30% to 42% off the retail price.
2. Accumulate 800 Volume Points in Total Volume, comprised of orders each less than 400 Volume Points in one Volume Month, and you also qualify for the Sliding Scale. The first 800 Volume Points would be purchased at 25% discount, but purchases thereafter would be discounted according to the Sliding Scale shown on the next page with the initial 800 Volume Points counted toward the Monthly Volume.
3. Accumulate 400 Volume Points in Total Volume Points in each of two consecutive months, and you will also qualify to purchase on the Sliding Scale. All purchases during these two months would be at 25% discount, unless at some point during this time you fulfill the criteria for (1) or (2) above. At the beginning of the month following these two months, all purchases would be discounted according to the Sliding Scale as illustrated here.

SENIOR CONSULTANT SLIDING SCALE

Distributors purchase at a 25% discount on all orders until they become eligible for the Senior Consultant Sliding Scale. Thereafter, they begin purchasing on the Sliding Scale each month as indicated below at no less than 30% discount.

Monthly Volume	Discount
0 - 424 Volume Points	30%
425 - 549 Volume Points	35%
550 - 799 Volume Points	38%
800 - 999 Volume Points	40%
1,000 - 1,999 Volume Points	41%
2,000 - 4,000 Volume Points	42%
Once 4,000 Volume Points, Temporary 50% purchased in one month. Buying Privileges additional orders purchased at	

Note:

All of your Personal Sales Volume, plus your Distributors' Sales Volume, count as your Total Volume. Once you are on the Sliding Scale, your discount will never be less than 30% for as long as you remain an active Distributor. The more you sell, the greater your profit potential. Remember that each Volume Month you begin again at 30% and can work your way up the scale, up to 42% discount.

While on the Sliding Scale, you may also earn Wholesale Profits on sales to your downline Distributors. For example: One of your Distributors places an order with you. Your discount is 40%, and your Distributor's is 30%. You earn 10% Wholesale Profit on your downline Distributor's order.

HERBALIFE ADVANTAGE PROGRAM

Activate your HAP order and immediately enjoy a 35% - 50% discount.

The Herbalife Advantage Program (HAP) is open to all Distributors. HAP is a monthly automatic shipment program that provides Herbalife Distributors the following added benefits:

- **35% to 50 % Discount** - You'll save on the products you use most while you enjoy all the benefits of being a HAP member.
- **Minimum Order** - Your HAP order must be a minimum of 100 to a maximum of 1,000 Volume Points of products per month. Additional wholesale product purchases can be made at any time according to the Sliding Scale.
- **No Activation Fee** - There is no activation fee to gain automatic service, regular communications or any of the other benefits associated with being a HAP Distributor.
- **Sales Tax Savings** - Since your HAP order is a personal use order and not intended for resale, you benefit from a sales tax savings.
- **Placing Your Monthly HAP Order** - Determine the products you use most or wish to sample from the Herbalife product line and place your personal automatic monthly HAP order over the phone with the Herbalife Advantage Program department at 866-866-4774, mail or fax your completed HAP order form to 310-216-6056. Your monthly HAP order will be sent to you 4 business days after your monthly deadline.
- **Changing Your Monthly Order** - You have a choice of 3 HAP deadlines: the 4th, the 11th or the 18th of each month. You may change your monthly order at any time during the month, from the day after your deadline, up to and including your deadline day.

Success Builder Benefits

One-time Opportunity

As an Herbalife Distributor, you have an opportunity to place a single order of 1,000 Volume Points purchased at a 42% discount. This qualifies you to become a Success Builder. As a Success Builder, you will be able to order at a 42% discount for the remainder of the Volume Month. If you place your Success Builder order directly with Herbalife, you are automatically updated to this prestigious position.

As a Success Builder, you will:

- Receive a 42% discount on your Success Builder Order.
- Receive a 42% discount on additional purchases in the same Volume Month.
- **Minimum Order** - Your HAP order must be a minimum of 100 to a maximum of 1,000 Volume Points of products per month. Additional wholesale product purchases can be made at any time according to the Sliding Scale.

SUPERVISOR BENEFITS

As an Herbalife Supervisor you will earn the highest discount of 50% plus Retail and Wholesale Profit and become eligible to earn Royalty Overrides (R. O.).

A Fully Qualified Supervisor is eligible to:

- Earn a 50% Retail Profit
- Earn up to 25% Wholesale Profit
- Earn a R.O. of 1% - 5% on their first level Supervisor
- Earn a R.O. of 1% - 5% on their second level Supervisor
- Earn a R.O. of 1% - 5% on their third level Supervisor
- Attend special workshops and training sessions
- Qualify for special Supervisor recognition



QUALIFYING AS A SUPERVISOR

There are two ways to qualify as a Supervisor:

- **One-Month Qualification:** Achieve 4,000 Volume Points in one Volume Month (with a minimum 1,000 of those 4,000 Volume Points unencumbered).
- **Two-Month Qualification:** Achieve 2,500 Volume Points for two consecutive months (with a minimum of 1,000 of those 2,500 Volume Points unencumbered for each month).

All of your Distributors' Sales Volume plus your own Sales Volume counts as your Total Volume.

Encumbered & Unencumbered Sales Volume

Encumbered Sales Volume is volume used for qualification purposes by someone else in your downline organization. Encumbered Volume is all volume produced by any Distributor qualifying for Supervisor in your personal organization, down to the first qualified Supervisor, who has achieved 2,500 Volume Points or more at 42% discount or less, in one Volume Month. Unencumbered Volume is all volume produced by anyone in your personal organization, down to the first qualified Supervisor, who achieves less than 2,500 Volume Points in one Volume Month, plus all your Personal Volume. Therefore, this is volume that is not used by anyone else for Supervisor qualification purposes.

Supervisor Qualification Form

Distributors are promoted to Supervisor on the first of the month following the month their qualification volume was achieved.

It is necessary for a Supervisor Qualification form to be completed and sent to Herbalife for all Distributors who are qualifying for Supervisor. These forms are available in the Business Administration section of this book and from your upline Supervisor. This form must be completed in full with all necessary attachments and submitted on or after the first of the month following the qualification and received by Herbalife no later than the fifth of the month. If a Distributor is completing a two-month Supervisor qualification, then a Supervisor Qualification form must be completed and sent to Herbalife at the first of each month following the month the Qualifying Volume was achieved.

Example 1: If a Distributor achieved 4,000 Volume Points in September, to complete a one-month qualification, then a Supervisor Qualification form must be submitted to Herbalife and received between the first and the fifth of October.

Example 2: If the Distributor achieved 2,500 Volume Points in July for their first month of a two-month qualification, then a Supervisor Qualification form must be submitted to Herbalife and received between the first and the fifth of August. If this same Distributor achieves 2,500 Volume Points in August to complete their qualification, then another Supervisor Qualification form must be submitted to Herbalife and received between the first and the fifth of September.

Qualifying Supervisor

Temporary 50% Buying Privileges

Once you've achieved 4,000 Volume Points in one month, all subsequent orders during that same month are at a temporary 50% discount. All 50% discount orders must be purchased directly from Herbalife. Your Supervisor must contact Herbalife to authorize you to purchase at the temporary 50% discount.

The authorization, once approved, will be in effect until the first of the following month, at which time you will be entitled to all the privileges of a Fully Qualified Supervisor, assuming all other Supervisor requirements have been met.

Matching Volume

The Supervisor who is qualifying a downline Distributor to the Supervisor position must have the required volume (Matching Volume) purchased from Herbalife during the qualifying month(s). See the example on Matching Volume in the "Understanding Volume" section and for specific details, see the "Rules of Conduct & Distributor Policies" section, Rule No. 18, in this Career Book.

Supervisor Requalification

All Supervisors must requalify their status annually between February 1 and January 31 to maintain their rights and privileges. The requalification requirements for this are the same as the Supervisor qualification requirements, but you have the advantage of receiving a 50% discount.

The computer system will automatically requalify you each year if the volume requirements are met during the qualification period, so there is no need to resubmit an application.

Failure to requalify each year by January 31 will cause a Supervisor to be demoted to Senior Consultant and lose all their Supervisor privileges. This includes, but is not limited to, the loss of any lineage that includes a Supervisor, whether or not that Supervisor fulfilled the Supervisor Requalification requirements by January 31. In this case, the entire downline lineage will be moved to the next upline Fully Qualified Supervisor.

ROYALTY OVERRIDE INCOME

As a Supervisor with Fully Qualified or Qualifying Supervisors in your first three downline levels, you may qualify to earn Royalty Overrides of 1% to 5% of your Organization Volume. Royalty Overrides are paid on the 15th of each month for the prior month's business.

Three Levels of Success

The people you personally sponsor as Herbalife Distributors are known as your First Level. They may be friends or family or business associates, or even people you have just met. You can personally sponsor as many people as you want in any country in which Herbalife officially operates around the world. When these Distributors in your First Level sponsor other Distributors themselves, these new Distributors become your Second Level. When your Second Level in turn sponsor others, they become the Third Level in your Herbalife organization.

By training your Distributors and encouraging them to follow your example, you are assisting every member in your team to qualify at the Supervisor level. As a Supervisor with Fully Qualified or Qualifying Supervisors in your first three levels, you may qualify to earn Royalty Overrides between 1% to 5% of your Organization Volume.

ROYALTY OVERRIDE SCALE

Your Total Volume Points	Royalty Override Earning %
0 - 499	0%
500 - 999	1%
1,000 - 1,499	2%
1,500 - 1,999	3%
2,000 - 2,499	4%
2,500 plus	5%

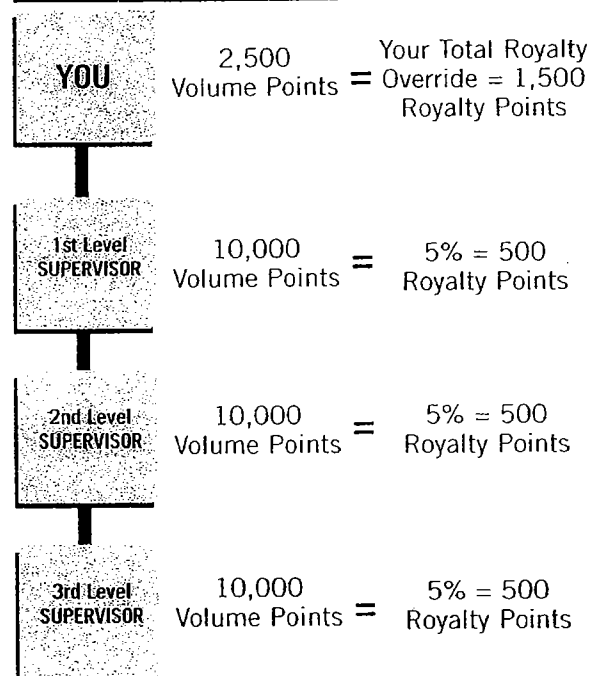
Payment of Royalty Overrides

Your Royalty Override percentage is based on your Total Volume for each month; if you produce less than 500 Volume Points, then no Royalty Overrides are earned. If you produce 2,500 Volume Points or more, then a full 5% is earned on three active downline levels. The Royalty Override scale shows the volume requirements that a Supervisor must meet every month to earn Royalty Overrides.

Royalty Overrides are paid as follows:

- The 1% - 5% Royalty Override is paid on the Total Volume of personally sponsored first-level qualified Supervisors.
 - The 1% - 5% Royalty Override is paid on the Total Volume of second-level qualified Supervisors; e.g., a Supervisor who has been sponsored in turn by your personally sponsored Supervisor.
 - The 1% - 5% Royalty Override is paid on the Personal Volume of third-level Supervisors; e.g., a Supervisor who has been sponsored in turn by a second-level Supervisor.
- In the following example, at a full 5%, your Royalty Override is calculated on 30,000 Organization Volume which gives you 1,500 Royalty Override Points. Royalty Override Points are used for qualification purposes. Royalty Overrides are calculated on the retail price of the products in the country from which the product is ordered. In certain countries, these Royalty Override payments are converted to your local currency.

ROYALTY OVERRIDE EXAMPLE



Additional Requirements

Supervisors who meet the specified requirements to earn Royalty Overrides must also comply with Herbalife's Ten Retail Customers Rule and the 70% Rule, to earn and receive both Royalty Overrides and Production Bonus. The Supervisor must confirm their adherence to these requirements by submitting the Earnings Certification Form each month. If the Supervisor fails to comply with either of these rules, the Royalty Overrides and Production Bonus will not be paid to the Distributor.

WORLD TEAM BENEFITS

Qualifying as a World Team member is an important step in your Herbalife business. You have demonstrated your success by qualifying for this prestigious team. World Team is your launching pad to move on to qualifying for the TAB Team.

To Qualify:

Qualify by achieving 500 Royalty Points in one Volume Month OR 10,000 Total Volume Points in one Volume Month OR 2,500 Total Volume Points each month for four consecutive months after Supervisor qualification is complete.

You receive:

- All the benefits of a Supervisor.
- A World Team pack containing a personalized World Team Certificate, World Team Pin and Herbalife daily journal.

Plus you become eligible:

- To attend special planning and training sessions targeted to accelerate your progress to TAB Team membership.
- To qualify for special Company qualifications.

TAB TEAM BENEFITS

Successful Supervisors have the opportunity to proceed to the higher echelon of the Herbalife Marketing Plan, which is the Top Achievers Business (TAB) Team. Upon meeting initial requirements, Supervisors can obtain TAB Team status. There are three steps within the TAB Team: Global Expansion Team (GET), Millionaire Team and President's Team.

Achieving TAB Team status is a prestigious recognition within Herbalife. TAB Team status indicates that the Supervisor has developed a strong, active downline Supervisor base and has demonstrated a willingness to take a leadership role within Herbalife. You'll receive additional Company benefits and earn leadership status within the Company. Reaching each new level enables you to participate in advanced training, earn unrivaled Production Bonuses and qualify for exceptional awards and incentives.

TAB Team Production Bonus

As a TAB Team member you are eligible to receive from a 2% to 7% Production Bonus on your entire downline organization's volume. Production Bonus earnings are paid monthly to all qualified TAB Team members. It is necessary to submit a completed TAB Team Production Bonus Application form to be eligible for Production Bonus payments. The application must be accepted and approved by Herbalife in order to receive payments. This form will be sent to you by Herbalife during your qualification period. (See individual team qualifications for specific Production Bonus qualifications.)

Annual Bonuses

A bonus payment representing a percentage of Herbalife's worldwide sales is distributed annually among Herbalife's top achievers in recognition of their outstanding performance in advancing sales of Herbalife products.

Vacation and Training Events

Because reward, recognition and training are of the utmost importance at Herbalife, we offer Vacation and Training Events that are both fun and informative. Held in exciting locations around the world, the Vacation and Training Events will teach you how to meet your goals, increase your earning power and build an international business without leaving the comfort of your own home! You'll learn all this while enjoying an exciting, adventurous vacation guaranteed to make an extraordinary impact on your life.

GLOBAL EXPANSION TEAM (GET)



To Qualify:

- Achieve 1,000 Royalty Points for three consecutive months. The first of the following month, you are promoted to Global Expansion Team member.

You Receive:

- A Global Expansion Team plaque and pin.
- All the benefits of a Supervisor.

Plus You Become Eligible To:

- Earn 2% Production Bonus on your downline organization's Sales Volume any Volume Month you have a minimum of 5,000 Total Volume Points, a minimum of 1,000 Royalty Points and all other terms and conditions are met.
- The 2% bonus is earned downline to the first eligible TAB Team member.
- Qualify for Vacation and Training Events.
- Participate in special advanced trainings.
- Participate in special conference calls.

MILLIONAIRE TEAM

To Qualify:

- Achieve 4,000 Royalty Points for three consecutive months. The first of the following month, you are promoted to Millionaire Team member.

You Receive:

- All the benefits of a Supervisor.
- A Millionaire Team plaque and pin.



Plus You Become Eligible To:

- Earn 2% or 4% Production Bonus on your downline organization's Sales Volume. In the third month after becoming a Fully Qualified Millionaire Team member you are eligible for up to a 4% Production Bonus on any month you have a minimum of 3,000 Total Volume Points and a minimum of 4,000 Royalty Points. The 2% or 4% bonus is earned downline to the first eligible TAB Team member.
- Qualify for Vacation and Training Events.
- Develop your teaching skills and assist with worldwide trainings.
- Participate in special conference calls.

PRESIDENT'S TEAM

To Qualify:

- **President's Team:** Achieve 10,000 Royalty Points in three consecutive months. After a waiting period of three months, earn a 2% to 6% Production Bonus.

- **20K President:** Achieve 20,000 Royalty Points in three consecutive months. After a waiting period of three months, earn a 2% to 6½% Production Bonus.

- **30K President:** Achieve 30,000 Royalty Points in three consecutive months. After a waiting period of three months, earn a 2% to 6½% Production Bonus.

- **50K President:** Achieve 50,000 Royalty Points in three consecutive months. After a waiting period of three months, earn a 2% to 7% Production Bonus.

- In the fourth month after becoming a Fully Qualified President's Team member, you are eligible for a bonus depending on your team level, for any month you have a minimum of 2,500 Total Volume Points and between 10,000 and 50,000 Royalty Points.

- The 6%, 6½%, 6¾% or 7% bonus is earned downline to the first eligible TAB Team member and 4% bonus on any Global Expansion Team's downline and 2% bonus on any Millionaire Team's downline.

In addition to TAB Team benefits:

- Receive a prestigious President's Team plaque and pin.
- Receive all the benefits of a Supervisor.
- Qualify for Vacation and Training Events.



PRODUCTION BONUS REQUALIFICATION

All TAB Team members are required to requalify their Production Bonus eligibility every year. You will meet your requalification requirements by achieving the minimum Royalty Override Points for your earning level in three consecutive months during the twelve month period following the eligibility month of your Production Bonus or your last Team qualification date, or your last requalification anniversary.

If you fail to requalify during this time, you will still retain your Team status at your current level. However, in order to continue earning Production Bonuses, you must requalify for one of the earning levels: 2%, 4%, 6%, 6½%, 6¾% or 7%. If a member fails to requalify at a particular level, that original qualification must be repeated, as well as any required waiting period, before being eligible to earn again at that level.

PRESIDENT'S TEAM PLUS

President's Team Awards & Recognition



Gold and Diamond Cufflinks and Earrings

To qualify, you must achieve 15,000 Royalty Points for three consecutive months.



One Diamond

Executive President's Team

To qualify, you must achieve 10,000 Royalty Points in at least six months between January 1 and December 31 in any given year and have one (1) first line President's Team member who has fulfilled all qualification requirements.



Two Diamonds

Senior Executive President's Team

To qualify, you must achieve 10,000 Royalty Points in at least six months between January 1 and December 31 in any given year and have two (2) first line President's Team members who have fulfilled all qualification requirements.



Three Diamonds

International Executive President's Team

To qualify, you must achieve 10,000 Royalty Points in at least six months between January 1 and December 31 in any given year and have three (3) first line President's Team members who have fulfilled all qualification requirements.



Four Diamonds

Chief Executive President's Team

To qualify, you must achieve 10,000 Royalty Points in at least six months between January 1 and December 31 in any given year and have four (4) first line President's Team members who have fulfilled all qualification requirements.



Five Diamonds

Chairman's Club

To qualify, you must achieve 10,000 Royalty Points in at least six months between January 1 and December 31 in any given year and have five (5) or more first line President's Team members who have fulfilled all qualification requirements.

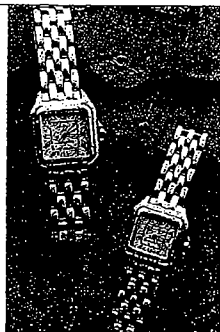
Ten Diamonds

Founder's Circle

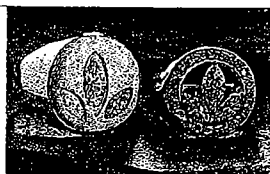
To qualify, you must achieve 10,000 Royalty Points in at least six months between January 1 and December 31 in any given year and have ten (10) or more first line President's Team members who have fulfilled all qualification requirements.

Presidential Plus Awards

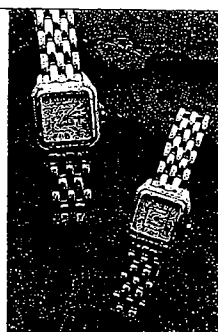
The Presidential Plus Awards are based on production (January-through-December volume). These awards are presented annually at Extravaganza.



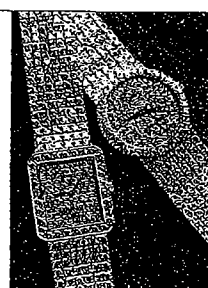
Cartier Panther Watch
250,000 Royalty
Override Points



Marquis Diamond Ring
500,000 Royalty
Override Points



Gold and Diamond
Cartier Panther Watch
750,000 Royalty
Override Points



Diamond Watch
1,000,000 Royalty
Override Points

GLOSSARY OF TERMS

The following terms are used throughout this text. Some have specific Herbalife connotations, so please become familiar with them, and make them a part of your vocabulary as quickly as possible.

Active Supervisor: A Distributor who has met all the requirements for Supervisor qualification and is now entitled to all Supervisor privileges plus additional training and recognition.

Commission: The difference between the discounted price paid by the Sponsor and the price paid by the downline Distributors. Also known as Wholesale Profit.

Customer: Anyone who is not an Herbalife Distributor who purchases Herbalife products at retail price.

Distributor: Anyone who purchases an official Herbalife Distributor Kit (IBP) and submits to Herbalife a valid and complete application for Distributorship and whose application has been accepted by Herbalife.

Downline Organization: All Distributors personally sponsored by you as well as all other persons sponsored by them.

First Level Distributor: All Distributors you personally sponsor are considered your first level.

HAP Distributor: A Distributor who activates the regular monthly automatic ordering procedure called Herbalife Advantage Program (HAP).

Lineage: All Distributors who are part of one organization as a result of sponsoring or being sponsored.

Production Bonus: A bonus of 2%, 4%, or 6% to 7% on downline Organization Volume earned by eligible members of the TAB Team who meet certain requirements.

Profit, Retail: The difference between the discounted product price paid by a Distributor and the retail price paid by a customer.

Profit, Wholesale: The difference between the discounted price paid by the Sponsor and the price paid by the downline Distributors. Also known as Commission.

Qualifying Month: The month in which a Distributor achieves the required volume for Supervisor qualification.

Qualifying Supervisor: A Distributor who has achieved 4,000 Volume Points in one calendar month. Assuming that all qualifications are met, they will be recognized as a Fully Qualified Supervisor on the first of the following month. A Qualifying Supervisor is eligible to purchase from Herbalife at a temporary 50% discount.

Royalty Override: A payment ranging from 1%-5% made to Fully Qualified Supervisors on the Monthly Volume of their three levels of active downline Supervisors.

Royalty Points: Used for qualification purposes, this is the sum of a Supervisor's Organization Volume times their royalty earnings percentage.

Royalty Roll-Ups: Herbalife pays Supervisors the full 5% for each of three (3) active downline Supervisor levels. Royalty Roll-Ups are paid to the appropriate upline Supervisor(s) when a downline Supervisor earns less than the maximum 5% Royalty Override payout per level. In these instances, the

difference between 5% and the Supervisor's earning percentage (1% - 4%) results in the Royalty Roll-ups.

Senior Consultant: A Distributor who has qualified to purchase on the Sliding Scale.

Senior Consultant Sliding Scale: An earned discount of 30% to 42% which is allowed after reaching specified sales goals in one or two calendar months.

Sponsor: A Distributor who brings another individual into Herbalife as a Distributor.

Success Builder: A Distributor who places an order of 1,000 Volume Points at 42% discount.

Supervisor, Fully Qualified: A Distributor who has met all the requirements for Supervisor qualification and is now entitled to all Supervisor privileges.

Supervisor's Personal Organization: Includes all Distributors in the Supervisor's downline who are at Distributor, Senior Consultant and Qualifying Supervisor levels.

TAB Team Member: A Distributor who has met all the requirements for GET, Millionaire or President's Team membership.

Ten Retail Customers Rule: A Distributor must make sales to at least ten (10) separate retail customers each month to qualify and receive Royalty Overrides and Production Bonus.

The 70% Rule: In any given month, a Distributor must sell to retail customers and/or sell at wholesale to downline Distributors, at least 70% of the total value of Herbalife products they hold for resale, in order to qualify for TAB Team and to earn and receive Royalty Overrides and Production Bonus for that month's business.

Upline Organization: Your Sponsor and their Sponsor and their Sponsor, and so on.

Volume, Encumbered: All volume produced by anyone in your personal organization who has achieved 2,500 Volume Points or more in one Volume Month. This is volume being used by them for Supervisor qualification purposes.

Volume, Group: Orders purchased at a temporary 50% discount, by Qualifying Supervisor(s) in a Supervisor's personal organization.

Volume, Matching: The Total Volume a sponsoring Supervisor must have in a given month to equal or exceed the volume achieved by their downline Distributor(s) who are qualifying for Supervisor.

Volume, Organization: The volume on which a Supervisor is paid a Royalty Override.

Volume, Personal: The volume purchased by you and all others in your downline organization, excluding any 50% orders by Qualifying Supervisors and Qualified Supervisors.

Volume Point: A point value assigned to each Herbalife product that is equal in all countries. Volume Points are used for qualification and bonuses.

Volume, Total: Total Volume is the combined total of Personal Volume plus Group Volume.

Volume, Unencumbered: All volume produced by anyone in your personal organization who has achieved less than 2,500 Volume Points in one Volume Month, and all your own Personal Volume. Volume that is not used by anyone else for Supervisor qualification purposes.

THE HERBALIFE CUSTOMER GUARANTEE

Herbalife guarantees the quality of any product which carries the Herbalife name and certifies that the products manufactured for it meet high standards of freshness and purity for customer use.

We are confident that our customers will find our products satisfactory in every way. However, if for any reason, a retail customer is not completely satisfied with any Herbalife product purchased from an Herbalife Distributor, the customer may request a refund from the Distributor within thirty (30) days from the date the customer receives the product. (Customers residing in Wyoming may exceed the 30 day refund period.) The customer will be instructed to return the product, or the unused portion thereof, to the Distributor from whom the customer purchased the product. The Distributor must offer the customer a full credit toward the purchase of other Herbalife products or a full refund of the purchase price.

This guarantee is limited only by the terms of certain specific warranties attached to or packaged with certain products and does not apply to any product intentionally damaged or misused. If the retail customer is not satisfied, the Distributor must honor the product guarantee quickly and courteously, according to the following instructions:

Distributor Must Honor Guarantee

A Distributor is required to fully complete and provide an official Herbalife Retail Order Form with each retail sale made. It is important for the customer to know how to reach the Distributor for more products, questions, etc. The Distributor must maintain a copy of the Retail Order Form for their records so they can properly follow up with their customer.

If, however, a customer requests a refund, then the Distributor must complete a "Customer Request for Refund Form," a copy of which is included in the "Business Administration" section of this Career Book. The Distributor is to calculate the amount of the customer's refund or credit due, have the customer sign the Refund Form, and immediately pay the refund to the customer or apply their credit to other products.

The Distributor may then submit the unused returned product, along with the "Customer Request for Refund Form" and a copy of the original Retail Order Form to Herbalife within thirty (30) days of making the refund to the customer. Herbalife will exchange the returned product with identical replacement product to the Distributor as soon as the product and all documentation has been received.

The Herbalife money-back guarantee does not apply to products purchased by Distributors, whether or not consumed by them, and this fact must be presented to individuals who become Distributors. The Company maintains a Distributor repurchase policy, according to the guidelines of the Direct Selling Association, which under certain circumstances may provide for repurchase of some products. See Rule 9-F in the "Rules of Conduct & Distributor Policies" or contact Herbalife Distributor Relations for more information.

Ordering Procedures and Sample Forms

ORDERING PROCEDURES AND SAMPLE FORMS

This section of the Career Book is designed to acquaint you with Herbalife's administration policies which ensure the smooth flow of daily business activity.

Every profitable enterprise establishes clear guidelines for the conduct of its own business. The rules provide the parameters within which the business operates freely. Many of the rules relating to the conduct of business are applied externally, by government, regulatory bodies, consumer legislation or industry codes and practices. In addition to the rules governing companies in the USA, other countries and the Direct Selling industry, Herbalife has developed a set of rules for the conduct of an Herbalife Distributorship, to ensure the maximum fairness and protection for all Distributors.

These rules provide consistency, security, integrity and honesty, enabling the Company, Distributors and the public to enjoy total confidence in the system and respect for our industry.

Please read and become familiar with these policies and procedures.

ORDERING PROCEDURES

To place your orders via phone, fax, or mail, e-mail, or to place and pick up your orders in person, please contact Herbalife at 866-866-4744.

Important Ordering Tips

As soon as you have become a Distributor, you may purchase from your Sponsor, your first upline Supervisor, or directly from Herbalife.

Once you qualify as an Herbalife Supervisor you must always purchase directly from Herbalife. There are several convenient methods you may use to place an order directly with Herbalife: telephone (including automated), mail, fax or directly at an Herbalife Distribution Center. All orders will be shipped on the next business day, whenever possible, if all moneys have cleared. Please remember that our ordering process is computerized, so once you complete your order it cannot be adjusted or altered in any way. Therefore, no matter what method you choose to place your order, it is important that you prepare your order in advance to ensure accurate and speedy processing.

All Orders must be paid in full, confirmed and processed for us to release the order. Please always have the following information readily available.

- Prepare your order in advance to ensure accurate and speedy processing.
- Clearly indicate order month.
- Have your Herbalife identification number ready.
- Have the name and Identification Number of your Sponsor, and Upline Fully Qualified Supervisor (FQS).
- Have shipping method and shipping address, recipient's name and corresponding telephone number (if applicable).

- Provide the appropriate discount percentage.
- Provide method of payment and appropriate details (i.e.: credit card number, expiration date, APS PIN number, etc.).
- All calculations (prices, discounts, Volume Points, and taxes of the city/county/state to which you are shipping—please have the correct zip code available). **Please refer to the latest U.S. price list on MyHerbalife.com.**
- Provide the stock number(s), description and quantity of the item(s) you are ordering.
- Complete all calculations and totals.

Mail Orders

All orders must be completely filled out with appropriate payment included. Herbalife sells in individual units, only as specified on the order form.

Depending on the method of mail, you should address your orders as follows:

VIA REGULAR MAIL

Herbalife International of America, Inc.
Attn: Sales Order Department
P.O. Box 80210
Los Angeles, CA 90080-0210
United States of America
(EG: FEDERAL EXPRESS & EXPRESS MAIL)

VIA EXPRESS MAIL (e.g. Federal Express)

Herbalife International of America, Inc.
Attn: Sales Order Department
9800 S. La Cienega Blvd.
Inglewood, CA 90301
United States of America

To assure correct and prompt processing of your orders, make sure they are correctly and completely filled out with an acceptable form of payment attached.

Telephone Orders

To place your telephone orders, please call the Home Office Sales Order Department at 866-866-4744 between the hours of:

5:00 AM TO 7:00 PM Pacific Time (Monday-Friday)

6:00 AM TO 2:00 PM Pacific Time (Saturday)

After payment has cleared, your order will be transmitted.

Acceptable methods of telephone payment are:

- Major Credit Cards (VISA, MasterCard, American Express & Discover)
- Automatic Payment System (APS); Approved applications must be on file at the Home Office (Must have 4-digit code). Contact the Sales Order Department for an APS Application.
- Wire Transfers must be bank-to-bank transactions. Upon payment clearance, your order will be transmitted to the Distribution Center for shipment.

All telephone orders must be placed and fully paid by the

close of business day on the designated "EOM" day. Please have your order ready before calling the Sales Order Department.

All automated orders must be fully placed and fully paid by 12 midnight (Pacific Time) on the designated "EOM" day. Please have your order ready before calling the Automated Ordering System.

Walk-In Orders

If you are located near Los Angeles, California or Memphis, Tennessee, the fastest way to receive product(s) is to place and pay for your order in person at one of our Distribution Centers. The addresses of our U.S. Distribution Centers are listed below for your reference:

LOS ANGELES DISTRIBUTION CENTER (LADC)

930 E. 233rd Street
Carson, California 90745
Telephone: 310-952-0100
Monday-Friday: 9:00 am-7:00 pm (Pacific Time)
Saturday: 9:00 am-5:00 pm (Pacific Time)

MEMPHIS DISTRIBUTION CENTER

3580 E. Raines Road
Memphis, Tennessee 38118
Telephone: 901-795-5056
Monday-Friday: 7:00 am-6:00 pm (Central Time)
Closed Saturday

All walk-in orders must be placed and fully paid by the close of business day at the respective Distribution Center on the designated "EOM" day. Please have your order ready before handing it to a Sales Order Representative. You must have your Distributor ID#, photo ID and Order# with you when you pick up your order.

Cashier's checks, money orders, most major credit cards, wire transfers and/or cash are the acceptable terms for purchasing products and other materials through the Herbalife Distribution Centers.

Payment Policy

Please note that all orders must be paid in full, processed and accepted for Herbalife to ship/release the order. The following are acceptable methods of payment:

■ Personal Checks

In addition to the previously listed methods of payment, those who become Supervisors and who have been fully qualified for 30 days may use personal checks to purchase products. A check writing policy of \$5,000 in one day is the maximum amount allowed. Any order in excess of this amount must be paid for by one of the methods noted above.

■ Guaranteed Checks

Cashiers Checks, Travelers Checks, and Money Orders, which must be made out to Herbalife International of America, Inc., and in U.S. Dollars only. Guaranteed checks may be used for mail in and walk-in orders only.

■ Most major credit cards

Visa, MasterCard, American Express (dollar amount is at Amex discretion, mostly under \$200.00) & Discover. The credit card must be in the name of the purchaser. Credit cards may be used for telephone (including automated), fax, mail and walk-in orders.

■ Cash

US Dollars Only. Cash may be used for walk-in orders only. Please DO NOT mail cash!

■ Automatic Payment System (APS)

To speed up and simplify the processing of your telephone order, Supervisors who have been fully qualified for 30 days may authorize Herbalife to deduct the exact amount from their bank or other financial institution as payment for their order.

■ Wire transfers

- Distributors may purchase products from Herbalife by bank-to-bank transaction.
- Wire transfers must be initiated by the designated End of Month (EOM) day and must be received and verified by the bank's report by the 5th of the following month (regardless of what day the actual "EOM" falls on).
- You must reference your Herbalife ID Number and order number with your transfer.
- If you wish to use this method, contact Herbalife's Sales Order Department for the correct procedure.
- Wire transfer orders will be shipped when the correct payment is received by Herbalife.

Shipping Procedures

All orders will be shipped on the next business day, whenever possible, if all monies have cleared. You must indicate the method of shipment as applicable, e.g. air, FedEx, motor freight, etc. on each order.

Selecting the right method of shipment for your order is an important decision. You will want to keep the freight cost as low as possible, and at the same time get the best results in terms of service. The decision must be based on distance, weight and size of the order, and how rapidly you want it delivered. You should call the various freight carriers in your area for rates and service details. However, here is some general information on how they work:

Federal Express Home Delivery - FedEx

Federal Express home delivery is our standard ground carrier. This may be one of your best options for shipping. Things to Remember:

- FedEx takes typically three to five working days for delivery. It is recommended that someone be available at the "Ship To" address to accept the shipment. (You may desire to address your shipment to your neighbor, friend, relative, etc.)
- Herbalife allows a maximum weight of 48 pounds per box.
- When your shipment consists of several boxes, they may not all be delivered at the same time. (If this happens, simply allow two additional days for the balance of the shipment to be delivered.)

All orders to be shipped via FedEx are shipped from Los Angeles and Memphis Distribution Centers on a freight prepaid basis. When you request FedEx as the method of shipment on an order, your freight will be calculated as indicated in the ground chart below.

Rate	times (X)	Retail Value
2.50%		\$1,000.00 and Up
3%		\$700.00 - \$999.00
3.50%		\$400.00 - \$699.00
4%		\$125.00 - \$399.00
\$6.00	Minimum	\$0.00 - \$124.00

Examples:

- A) \$400 retail value x 3.5% = \$14.00 freight cost
- B) \$130 retail value x 4% = \$5.20 freight cost
- C) \$124 retail value - add \$6.00 minimum freight cost

Please be sure to include the shipping costs in your payment to avoid any delay in processing and shipping your order.

Motor Carrier

When your order weight exceeds 100 pounds, you may want to consider a motor freight carrier. Generally you will pay for a minimum of 100 pounds of freight. Things to remember:

- All truck shipments are made on a freight collect basis.
- This service will range from overnight delivery to five or more working days, depending on the distance between the shipping point and the destination.
- Door-to-door delivery is provided to most locations, or upon request, your order may be held at the dock for pick-up.
- Generally, the complete shipment is delivered at once.
- If door-to-door is requested, there must be someone available at the "Ship To" address to accept the shipment. (You may desire to address your shipment to a neighbor, friend, relative, etc.)
- The heavier the shipment, the lower the freight rate per pound. For more detailed information, call your local truck companies.

Air Shipping

Special rates are available for almost any shipment size, but when your order weighs over 200 pounds, it may be to your advantage to consider the delivery time and the possible cost savings. The air freight industry is becoming very cost competitive with ground freight transportation. Convenient special freight cost programs are available through most airlines. For example, E and EH Disposable Corrugated Air Containers can be shipped at special rates, or you can take advantage of the special rates of the deferred air freight programs. Things to remember:

- All air shipments are made on a freight collect basis.
- Air freight offers the fastest means of transportation.
- They offer call-upon-arrival service.
- Your order can be delivered to your door. (This requires an additional charge, and someone must be available to accept the shipment.)
- Shipments may be held at the airport terminal for pick-up.
- Weekend service is available at most major airports.
- Air containers have special rates. (When using this method, remember that the total cubic footage cannot be 100% utilized due to the variance of product dimensions.)
- Please specify the airport of destination; otherwise the airline will ship to the airport closest to the "Ship To" address.
- There is excellent traceability. For more specific information, call the air freight carriers at the airport(s) closest to you.

Air and Truck Freight Insurance

Herbalife recommends that you insure your air and truck shipments at their full discounted value for a small premium. Typically the cost of the air freight insurance is approximately 40 cents for each \$100 declared value. For example, if you are a Supervisor placing a \$2,000 retail order at a 50% discount, you are paying \$1,000. Declaring this \$1,000 as your freight value, your full insurance coverage will cost \$4. When ordering, indicate in the shipping instructions that you wish to have your order "insured at full value." The additional insurance amount will be added to your freight charges. Without the insurance, you can only collect the amount determined by the freight company policy. (Flat rate per pound rates vary from carrier to carrier, but are in the area of 50 cents to 60 cents per pound.)

When Receiving Your Shipment

All Herbalife products are in perfect condition when the carrier takes possession of the shipments at our Distribution Center loading docks. Before signing "Received" for your shipment, here are some things to remember:

- Your signature means that you have received your shipment in a satisfactory manner (unless otherwise specified).
- Determine the number of boxes your shipment includes, either by the packing slip or by the number of boxes marked on top of each box, e.g., 1 of 3, 2 of 3, etc.
- Only sign "Received" for the number of boxes actually received.
- Inspect your shipment for obvious outside damages. (Even though there is no apparent damage on the outside, some damages might be found inside.) See "Shipping Inquiries and Claims" below.
- Note any damages and/or box shortages on the carrier's delivery documents. (FedEx may not deliver all boxes the same day.)

Shipping Inquiries and Claims

For any specific inquiry or problem associated with a particular shipment (damaged and lost order claims, etc.) please call Herbalife's Order Support Department at 866-866-4744.

FedEx Home Delivery Claims

- FedEx lost shipments (complete or partial) must be reported to Herbalife International within seven days after estimated time for arrival.
- Any hidden damages found on a FedEx delivery, discovered after the FedEx driver has left, must be reported to your local FedEx office immediately. FedEx will send a driver to pick up the damaged items for inspection. Keep the damaged items in the original package as found, including all packing material, and the master container.
- FedEx will forward a copy of the damage inspection report to the Herbalife Distribution Center that originated the shipment.
- The Distribution Center, upon receiving this report, will initiate the proper FedEx claim(s) procedures and follow up to completion.
- In some instances, FedEx may desire not to send an inspector to pick up the damaged items. However, the damage report will still be generated, and the same procedure as above will take effect. In every case, you will get a control number from FedEx.

Month End Ordering Guidelines

General-United States

The Herbalife U.S. Sales Order Departments and Distribution Centers, as well as all Herbalife International Sales Order Departments, will be open regular business hours on the designated "End of the Month" (EOM). (Usually the last day of the month.)

A. Business Hours

1. Sales Order Department:

English and Spanish Lines

Monday – Friday: 5:00AM – 7:00PM (Pacific Time)

Saturday: 6:00AM – 2:00PM (Pacific Time)

2. Los Angeles Distribution Center (L.A.D.C.):

Monday – Friday: 9:00AM – 7:00PM (Pacific Time)

Saturday: 9:00AM – 5:00PM (Pacific Time)

3. Memphis Distribution Center:

Monday – Friday: 7:00AM – 6:00PM (Central Time)

Closed Saturday

B. Business Numbers/Addresses

1. Operations Home Office

a. Toll Free Number (available in English and Spanish) 866-866-4744

b. HAP Order Line 866-866-4744

c. Automated Ordering System 866-866-4744

d. Sales Order Only Fax Line 310-216-5160

e. HAP Order Only Fax Line 310-216-6056

f. Mailing Address

Herbalife International of America, Inc.

Sales Order Department

P.O. Box 80210

Los Angeles, CA 90080-0210

g. Express Mail Only

Herbalife International of America, Inc.

Sales Order Department

9800 S. La Cienega Blvd.

Inglewood, CA 90301

2. LADC (Walk-in Service)

Herbalife International of America, Inc.

930 E. 233rd Street

Carson, CA 90745

3. Memphis Distribution Center (Walk-in Service)

Herbalife International of America, Inc.

D.C., 3580 E. Raines Road

Memphis, TN 38118

4. For additional information on products,

qualifications, Marketing Plan, etc., please

contact the Distributor Relations Department

English and Spanish Lines:

Monday – Friday: 6:00AM – 6:00PM

(Pacific Time)

Saturday: 6:00AM – 2:00PM

(Pacific Time)

End of Month Ordering and Payment Deadlines

The deadlines specified below are set to ensure accurate payment of Royalty Overrides to each and every Distributor.

- All orders **MUST** be received on or before the "EOM" day in order to count for that month's volume. The "EOM" day is absolutely the last day for us to process your order in the current month.
- Telephone Orders must be placed and fully paid by the end of business day on each country's specified "EOM" day.
- Fax and Automated Orders (where applicable) must be placed and received with appropriate payment by midnight on each country's "EOM" day. (It's strongly recommended that you keep copies of all fax confirmations.)
- Mail Orders must be postmarked on or before each country's specified "EOM" day and received by Herbalife **NO LATER** than the fifth (5th) of the following month. Appropriate payment must be included with the order.
- Walk-In Orders must be placed and fully paid by close of business day on the specified "EOM" day.
- Wire Transfers or postal payments must be initiated on or before each country's specified End of Month (EOM) day. These transactions must be received no later than the 5th of the following month.
- All Payments for all orders placed on the "EOM" day must be fully initiated/paid by the end of that same day to count for that month's volume, no matter what day the "EOM" actually falls on.
- Herbalife shall not be held responsible for monetary transfers that are not deposited to our account by the specified deadline.
- Distributors are responsible for making whatever arrangements necessary to ensure payment is received on time and that adequate credit is available to assure approval of any credit card purchases. If payment is not received by the specified date, the order will count as the following month's volume.
- If the "EOM" falls into the beginning of the next month, causing a dual Volume Month, Distributors are responsible for specifying the order month they wish the volume of the order to count towards.

Tax Information

The following notes highlight key points of interest for Herbalife Distributors. These notes are not intended to cover all aspects of registration or taxation that may affect your Distributorship, so we recommend that Distributors consult with their own tax or business advisor or their local, state or federal taxation offices.

A. Federal/State Income Tax and Reporting

1. Income tax laws in the United States, and in various states and municipalities within the United States require that individuals with income from businesses report such income. Residents and those that are citizens of the United States, wherever resident, are required to file income tax returns reporting all of their income. Nonresidents may also need to report their U.S.

income. Distributors are solely responsible for the proper reporting of their income and payment of their taxes.

2. It is important to establish and maintain a proper set of books and records for your business. Inexpensive manual and computerized systems are available or you may prefer to hire an experienced bookkeeper. Under the Federal law, tax records should be maintained for a minimum of three years, but it may be prudent to maintain them for a longer period.
3. Federal and state tax laws impose certain reporting requirements upon Herbalife. On or before January 31 of each year, U.S. Distributors will be sent a Form 1099 specifying the amount of earnings (commissions, overrides, bonuses, etc.) they received during the prior calendar year. The form will also note whether the Distributor purchased \$5,000 or more retail value of products. This information is also filed with the Internal Revenue Service, and from there is made available to the states.
4. For these reporting reasons, all Distributors in the United States and those that are citizens of the United States, wherever resident, must provide proper taxpayer identification numbers, usually their social security number. It is the Distributor's responsibility to assure that the name, legal address and taxpayer identification number are properly recorded in the Herbalife computer system and to immediately advise if a correction is needed. If such information is not correct, tax laws impose a "back-up" withholding tax. The tax so withheld can be claimed by the distributor on their individual income tax return as a prepayment of tax.

B. Non-Resident Withholding Tax

1. All payments of commissions, overrides and bonuses resulting from U.S. orders are deemed by the IRS to be U.S. source income. As such, payments to upline Distributors residing outside the United States are subject to U.S. non-resident withholding tax (currently 30%).
2. On or before March 15 of each year, Herbalife will send a Form 1042-S to Distributors which reports the amount of earnings paid and the amount of U.S. tax withheld. Depending on the Distributor's situation and the laws of the Distributor's resident country, a refund from the IRS may be requested or relief from double taxation is often available. Affected Distributors are encouraged to consult with their tax advisors.

C. State and Local Sales Taxes

1. Many Herbalife products are taxable under the various states' sales tax laws. Distributors are primarily responsible for their own sales tax liability and should ensure they are in compliance with all applicable sales tax laws.
2. Herbalife has voluntarily registered in many states to pre-collect state sales taxes on behalf of Distributors and thus reduce the Distributors' compliance

requirements. In these instances, sales tax is based on the ultimate retail price of products shipped for resale to these states. In some states, Distributors may obtain from the state and submit to Herbalife a resale/exemption certificate. By doing so, the Distributor retains primary responsibility for the collection, reporting and payment of all such taxes. For a list of these states, please contact the Distributor Relations Department at 866-866-4744.

D. Business Licenses and Registrations

1. Many cities or municipalities within the United States require that Distributors register their business when starting their business activity. We recommend that U.S. Distributors contact their local government offices for information about these requirements.

E. Social Security and Other Taxes

1. All Herbalife Distributors are independent and as such are responsible for their own Social Security, Medicare and other taxes as may apply. Advance payments of these taxes may be required. Further information is available from the respective tax office or your tax advisor.

The information noted above may be modified from time to time by the respective authorities. To ascertain your personal situation or if you have any questions, we suggest that you consult with the respective federal, state and local tax offices in your area or with your qualified tax advisor.

FREQUENTLY ASKED QUESTIONS

How To Do Business

Do I have to wait for my Distributor Application to be processed before placing an order?

It's not necessary to wait for your Application to be processed. You are entitled to buy Herbalife products from your Sponsor, first upline Fully Qualified Supervisor, or from the Herbalife Sales Order Department (at the applicable discount) utilizing the Herbalife ID number on the Registration Card contained in your International Business Pack (Distributor Kit).

How do I place an order?

It's easy! You may place orders through your Sponsor, upline Supervisor or directly from Herbalife. When you become a Supervisor you must purchase directly from Herbalife. It's important for you to have certain information prepared prior to placing an order directly with Herbalife. You may place orders with Herbalife by telephone (including automated), fax, mail, by going to one of our Distribution Centers (Los Angeles or Memphis) or via our online ordering system on MyHerbalife.com.

May I go to the Distribution Center and pick up the products myself?

Absolutely! You may either place your order with our Sales Order Department and specify that you will pick it up in person, or you can simply go to our Los Angeles or Memphis Distribution Center, place and pay for your order there, and pick up the products at the same time.

May I call Herbalife directly with questions?

Of course! We're here to assist you in any way possible. We always encourage you to first consult your IBO/Career Book, and to work closely with your Sponsor and upline Supervisor, since they have a great deal of field experience. However, if we may assist you, please call our Distributor Relations Department directly in Los Angeles, at 866-866-4744.

How quickly will my order be processed and how long will it take to reach me?

All orders will be shipped the next business day, whenever possible, if payment is received and processed. Shipping times vary, of course, depending on the shipping method you choose. All orders shipped from our Los Angeles and Memphis Distribution Centers via FedEx home delivery service are shipped freight prepaid, and will generally arrive within three to five working days. Distributors commonly utilize FedEx when an order weighs under 200 pounds. Express, Motor Carrier and Air services are also available on a freight collect basis, in order to provide you with the widest possible variety of choices.

Do I have to pay any other charges on top of the price of the products?

Orders shipped via FedEx, our most popular freight service, are shipped freight prepaid. All other freight services are shipped freight collect. We also add a 7% packaging and handling charge to the full retail of all products, giftables and promotional orders. Taxes, of course, are based on the tax rates of your shipping destination.

Why do I have to pay a 7% packaging and handling charge?

A great deal of administrative time and labor goes into processing, handling and marketing. Charging by products ordered is the fairest way to cover these costs.

I've heard a lot about the HAP Program. What is it all about?

"HAP" stands for "Herbalife Advantage Program." HAP is an automatic monthly product shipment program, providing Distributors with an effortless, flexible and convenient method for selecting and automatically shipping the

products they use the most. HAP also provides Herbalife Distributors who activate their HAP orders with exclusive added benefits, including free activation; no Annual Processing Fee for non-Supervisors with active HAP orders; 35% - 50% discount; multiple HAP orders—one for personal use and one consisting of products for resale; additional sales tax savings (on personal use orders only); single unit purchases; automatic, consistent monthly home delivery; special promotional offers; flexibility to change your HAP order (any time before HAP deadline); free monthly literature and communications; and easy automatic payment options. You will find a HAP Distributor Activation and Order form in your IBO/Career Book. There are dedicated HAP Sales Order telephone and fax numbers listed in the "Ordering Procedures" section of this book. For additional information, please contact Herbalife's Distributor Relations Department at 866-866-4744.

How do I retail the products?

Retailing the Herbalife products will be one of the most important keys to your success! As Mark Hughes always stressed, use the products, wear the button and talk to people. You will develop your own selling style, which might include talking to your circle of influence, distributing flyers, conducting surveys and/or participating in seasonal promotions. Your Sponsor has the field experience to provide you with the proper training.

Wear the Button

- You become a walking advertisement
- Wear, use or display any Herbalife item that will attract people to talk to you—this makes conversation easy

Talk to People

- When they ask, tell your weight-management success story or your income success story
- Explain the products and business opportunity
- Explain how they can improve their health and also make immediate profits
- Who do you know
- Talk to everyone

May I export the products?

Regulations vary from country to country in which we are officially open. Each country has its own line of products, literature and promotional items specific to each of these countries. Distributors may only bring products approved for a specific country within that country. Distributors may not bring products from one Herbalife country to another, unless approved for sale there.

Where can I get more training on the Herbalife products and selling methods?

You have a multitude of fantastic choices! Your Sponsor and/or upline Supervisor should be able to assist you, and we always suggest you contact them first. There are many training sessions held throughout the world every year. And by clicking on MyHerbalife.com, you can access training and business-building tools 24/7. Some of our web sites include:

www.Herbalife.com

Herbalife's official web site establishes Herbalife as the leading weight loss, inner and outer nutrition site for information, education and retail/business opportunity lead captures.

www.MyHerbalife.com

The primary business management and success resource website for Herbalife Distributors—optimizing recruitment, retention, retail and community. Login requires Distributor ID and PIN Code.

www.HerbalifeCentral.com

An administrative web site dedicated to Herbalife Distributors worldwide.

www.Herbalifefamily.org

This web site is dedicated to the Herbalife Family Foundation which helps "at-risk" children around the world. If prompted for a password, please contact the Sales & Communications or Distributor Relations Departments.

There is also the Herbalife Broadcast Network (HBN), which features fast, high-quality audio and video streaming to anyone with Internet access, 24 hours a day.

HBN offers:

- Exciting product launches.
- Unbeatable video training from Herbalife's Founder.
- Live question-and-answer sessions with top Distributors and Herbalife's Doctors.
- Motivation by Jim Rohn, world-renowned business speaker.
- House-Party training.

Our Sales & Communications Department also operates a touch phone information service that will keep you updated with the latest Herbalife information at a nominal charge. For additional information on these and many other business tools available, please contact our Distributor Relations Department at 866-866-4744.

Once I qualify for earnings, are there any special procedures to follow?

Yes, and they are quite simple. In order to receive your earnings, you must strictly adhere to Herbalife's 10 Customer/70% Rule. Please refer to Rule No. 20 in the "Rules of Conduct & Distributor Policies" section of your IBO/Career Book for complete information.

Are there any tax issues I should be aware of?

Yes, and they are similar to any business you would independently operate. Distributors are solely responsible for the proper reporting of their income and payment of their taxes. Any questions should be referred to the individual Distributor's own tax advisor. For more information, please refer to the "Tax Information" section after the "Ordering Procedures" section in this book.

Rules of Conduct & Distributor Policies USA**IMPORTANT NOTICE!**

Following are the answers to some of the most commonly asked questions by new Distributors regarding Herbalife's Rules of Conduct and Distributor Policies. **Please carefully review the "Rules of Conduct and Distributor Policies" section of your IBO/Career Book, which will provide you with the full details.** These Rules of Conduct and Distributor Policies have been established for your protection. They represent the code of ethics by which all Herbalife Distributors must operate.

We encourage you to read and understand them, so you are fully aware not only of your own obligations, but also of your rights as an Herbalife Distributor. We believe Herbalife's products and Sales and Marketing Plan are the best in the industry. We also believe in our Distributors, and in supporting them by working together to uphold the highest possible ethical standards. We are committed to maintaining the integrity of Herbalife, its Sales and Marketing Plan and its global distribution network of independent Distributors.

What are the age requirements for becoming a Distributor?

An applicant must be at least 18 years of age to become an Herbalife Distributor and to conduct business in the United States. However, a minor who is above the age of 14 may submit an Application for a Minor Distributorship, under certain conditions. Please refer to Rule No. 3 in the "Rules of Conduct & Distributor Policies" section of your IBO/Career Book for full details.

May my spouse and I have separate Distributorships?

Married couples may have only one Distributorship. Married couples wishing to become Distributors together, must complete and sign a single Distributor Application, thereby having only one Sponsor. It is very important for new

Distributors to note that an individual may have only one Herbalife Distributorship, and should never sign more than one Distributor Application. Please see Rule No.'s 4 and 5 in the "Rules of Conduct & Distributor Policies" section of your IBO/Career Book for full details.

May I submit my Distributor Application in the name of a Corporation or Partnership?

The long-term success of Herbalife's Sales and Marketing Plan has been based on the entrepreneurial spirit of individuals. In order to help protect the integrity of the Sales and Marketing Plan, Herbalife only accepts Distributor Applications in the name of individuals. Please refer to Rule No. 6 in the "Rules of Conduct & Distributor Policies" section of your IBO/Career Book for full details.

What is the relationship with my Sponsor?

The relationship between a Distributor and their Sponsor is the foundation of Herbalife's Sales and Marketing Plan. Many Sponsors spend a significant amount of time locating new Distributors, training and working with them over a period of time. Please refer to Rule No. 10 in the "Rules of Conduct & Distributor Policies" section of your IBO/Career Book for details regarding responsibilities of a Sponsor.

May I sell Herbalife products anywhere in the world?

As an Independent Herbalife Distributor you may sponsor Distributors, train and build your downline business in any of the countries where Herbalife is officially open. Please note, Distributors may only sell products approved for a specific country within that country. They may not bring products from one Herbalife country to another unless approved for sale. Permissible Herbalife business activities vary in each country, depending on local laws. Please contact Herbalife's Distributor Relations Department for detailed information on a specific country's rules. Officially opening a country is an involved and complicated process. All countries have rules and regulations regarding the manufacture, labeling and sale of products and other regulations with which we must comply. Therefore, we cannot allow the sale of our products in a country in which we are not yet officially open. Additionally, country openings will be delayed if government officials find that our products are being improperly imported into that country. For these reasons, we consider violations of our Export Policy to be extremely serious. Such violations could result in the immediate termination of a Distributorship. Please see Rule No's. 8-D and 21-A in the "Rules of Conduct & Distributor Policies" section of your IBO/Career Book for complete information.

What is Herbalife's Customer Refund Policy?

Herbalife products have a 30-day money back guarantee for the retail customer, from the time the product is received. Distributors must respond quickly and courteously when the retail customer requests this guarantee be honored. The Distributor may offer the retail customer a choice of a full refund of the purchase price or full credit for exchange of other Herbalife products, and the Distributor must honor the retail customer's choice. Please see page -14- of the "Sales and Marketing Plan" section and Rule No. 19 of the "Rules of Conduct & Distributor Policies" section of your IBO/Career Book for full details on these procedures, policies and rules.

Does Herbalife have specific policies and rules regarding advertising and promotion?

The integrity of Herbalife's Sales and Marketing Plan, and legalities make it necessary for us to enforce important rules and policies regarding advertising and promotion. We are confident that you will find these rules and policies protect you and your business as much as they protect Herbalife.

Distributors may produce their own ads/flyers, provided they follow all of Herbalife's rules for advertising. It is the Distributor's responsibility to ensure they are complying with these rules. If you have any questions regarding our advertising guidelines, please contact Herbalife's Distributor Relations Department. Additionally, please refer to Rule No.'s 22,23,25 and 26 in the "Rules of Conduct & Distributor Policies" section of your IBO/Career Book for full details.

Herbalife Worldwide Offices

Listed below are addresses, phone numbers and hours of operation for Herbalife's World Home Office, Operations Home Office, and U.S. Distribution Centers. Herbalife Distributors may order products or literature to be shipped from any of our Worldwide Distribution Centers. However, no material can be shipped across international boundaries. Please contact your local Sales Order Department to place an international order.

For information regarding Herbalife's Distribution Centers throughout the world, please refer to the listing on myherbalife.com or contact the Distributor Relations department at 866-866-4744.

If you have any questions or require assistance placing an order, please call Herbalife's Sales Order Department or the Distribution Center nearest you.

Herbalife International of America, Inc.

World Home Office
1800 Century Park East
Century City, CA 90067, USA
Main Number: 310.410.9600
Hours: M-F 8:30 AM - 5:30 PM

Herbalife International of America, Inc.

Operations Home Office
9800 S. La Cienega Blvd.
Inglewood, CA 90301, USA
Main Number: 310-410-9600
Hours: M-F 8:30 AM - 5:30 PM

Sales Order Department

M-F 5 AM - 7 PM/Sat. 6 AM - 2 PM (Pacific Time)
Sales Order Department (all orders) 866-866-4744
24-Hour Automated Ordering 310-568-0532
Sales Order Department (Fax orders only) 310-216-5160
HAP Order Fax 310-216-6056

Distributor Relations Department

M-F 6 AM - 6 PM (Pacific Time)
Distributor Relations 866-866-4744
Distributor Relations Fax 310-258-7019

Los Angeles Distribution Center

930 E. 233rd St., Carson, CA 90745
Hours: M-F 9 AM - 7 PM/Sat. 9 AM - 5 PM (Pacific Time)
(Walk-in and pick-up only)
Main Number 310-952-0100
Main Fax: 310-952-0111

Memphis Distribution Center

3580 E. Raines Rd., Memphis, TN 38118, USA
Hours: M-F 7 AM - 6 PM/Sat. closed (Central Time)
(Walk-in and pick-up only)
Main Number: 901-795-5056

SAMPLE FORMS

The following pages contain samples of forms which you may be required to use to communicate with Herbalife as you conduct your business. They are included to help you become familiar with them and to assist you in completing them. Please review them and become familiar with their use.

Page:

- 27. Herbalife Advantage Program Order Form
Distributor Activation and Order Form**
- 28. Application For International Distributorship**
- 30. Wholesale Product Order Form**
- 31. Promote! and Literature Order Form**
- 32. Retail Order Form**
- 33. Supervisor Qualification Form**
- 34. TAB Team Production Bonus Application**
- 35. Automatic Payment Service (APS)
Authorization Agreement**
- 36. HAP Automatic Payment Service (APS)
Authorization Agreement**
- 37. Change of Address Form**
- 38. Customer Request for Refund Form**
- 39. Earnings Certification Royalty
Override/Production Bonus 10
Customer/70% Rule Documentation Form**
- 40. Herbalife/TouchFON**
- 41. Official Success Builder Confirmation**
- 42. Long Distance Service Agreement**

310 216-2556 – Herbalife Advantage Program
310 216-6056 – Fax Orders
310 258-7056 – Automated Orders
866 866-4744 – Toll Free

Mon. - Fri. 5:00am – 7:00pm (PST) Sat. 6:00am – 2:00pm (PST)

[illegible]

Ship To	
Name: _____	
Address: _____ _____ _____	
Telephone: _____	Fax: _____
E-mail Address: _____	
Monthly Order Close Date <small>Please Select One</small>	
There are three Herbalife Advantage Program (HAP) order close and ship dates each month. Please select one of the three (3) dates below for your order to close for processing and shipping each month.	
<input type="checkbox"/> 4th of the month	<input type="checkbox"/> 11th of the month <input type="checkbox"/> 18th of the month
Method of Payment <small>Please Select One</small>	
Since your HAP order is an automatic monthly shipment program, you must select one of the two automatic payment options below for Herbalife to process your order.	
Option A – Complete for Credit Card Payment	
<input type="checkbox"/> Visa <input type="checkbox"/> Mastercard <input type="checkbox"/> AMEX <input type="checkbox"/> Discover	Exp. Date: ____/____/____
Credit Card Number:	<div style="border: 1px solid black; width: 100%; height: 20px; position: relative;"> <div style="position: absolute; top: -1px; left: -1px; right: -1px; bottom: -1px; border: 1px solid black;"></div> </div>
Authorized Signature: _____	Date: ____/____/____
Option B – Complete for Supervisors with APS	
Authorized Signature: _____	Pin Number: <div style="border: 1px solid black; width: 100%; height: 20px; position: relative;"> <div style="position: absolute; top: -1px; left: -1px; right: -1px; bottom: -1px; border: 1px solid black;"></div> </div>
Date: ____/____/____	

- Now you can have two (2) HAP orders; one for personal use, and another with products for resale.
- Minimum 100 Volume Points Maximum 1,000 Volume Points for personal use orders
- Minimum Discount 35%
- If you require additional lines to complete your order, please attach a separate sheet of paper.

[illegible]

*Arizona, Florida, Illinois, Pennsylvania, and Washington Tax may vary in these states

*The following states freight is taxable: Georgia, Kansas, Mississippi, Nevada, North Carolina, Pennsylvania, South Dakota, Texas, Washington, and West Virginia. If a state is not mentioned it is NOT taxable.

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Form 5315-US Rev. 03/04

BUSINESS ADMINISTRATION 27
HERBALIFE 6178



HERBALIFE INTERNATIONAL OF AMERICA, INC.
9800 S. La Cienega Boulevard
P.O. Box 80210
Los Angeles, California 90080-0210
Tel: (310) 410-9600
Order Department /Distributor Relations Tel:
(866) 866-4744

IDENTIFICATION NUMBER

APPLICATION FOR INTERNATIONAL DISTRIBUTORSHIP

The number above is your Herbalife ID number once your Application is accepted.

Application must be completed accurately and in its entirety in order to be considered by Herbalife International

APPLICANT INFORMATION

Last Name **First Name** **Middle Initial**

Street Address (P.O. Box/Rural Route Number) If P.O. Box indicated, Legal/Fiscal Residence Address must be completed below.

City **State** **ZIP Code**

Country Code **Area Code** **Day Phone** **Area Code** **Evening Phone** **Area Code** **FAX**

Area Code **Cell Phone**

E-mail Address (if applicable)

Date of Birth (month - spelled out) **(day)** **(year)** **(age)** **Applicant's U.S. Social Security Number** (Required if working in U.S.)

Spouse's Last Name **First Name** **Middle Initial**

c/o - In care of name (if applicable). If completed, Legal/Fiscal Residence Address must be completed below.

LEGAL/FISCAL RESIDENCE ADDRESS (IF DIFFERENT FROM ABOVE)

Street Address (cannot be a P.O. Box)

City **State** **ZIP Code**

Country **Country Code** **Area Code** **Phone Number**

SPONSOR'S INFORMATION

Sponsor's Name (print)

Street Address

City **State** **ZIP Code**

Phone

Sponsor's Herbalife ID Number

SUPERVISOR'S INFORMATION

Supervisor's Name (print)

Street Address

City **State** **ZIP Code**

Phone

Supervisor's Herbalife ID Number

Name of your upline Sponsors and 1st upline Supervisor. Please print.

1st Sponsor:

Herbalife ID Number:

2nd Sponsor:

Herbalife ID Number:

Supervisor:

Herbalife ID Number:

NOTICE TO APPLICANT AND SPONSOR

Herbalife International of America, Inc. (Herbalife) is a company that is owned and operated by the applicant. The mandatory period of inactivity as specified in the Rules of Conduct for Distributors has not been maintained. There may be serious ramifications to both the applicant/distributor and the sponsoring line. Herbalife will not be responsible for any losses that may occur as a result of any misrepresentation of the information requested below. The applicant's signature on this application certifies that the information below is true and correct.

COMPLETION OF THIS SECTION IS REQUIRED. Have you or your spouse previously been Herbalife Distributors or participated in any Herbalife Distributorship? Please check one: YES ☐ NO ☐

If yes, please provide your previous Distributorship ID Number / Name / Application date (Applicant, if registering with a different Sponsor, must have observed at least 1 year of inactivity after non-payment of the Annual Processing Fee or resignation of the previous Distributorship)

APPLICANT: By executing this application, Distributor acknowledges that he/she has reviewed the terms and conditions on the reverse side of this application and agrees to be bound by them.

Applicant's Signature: **Spouse's Signature:**

Dated at **City, State, Country** **on** **Month, Day** **Year**

Spouse's Social Security Number

Distribution: White- Herbalife's copies Pink- Sponsor's copy Canary- Supervisor's copy Gold- Applicant's copy

4010-US-26 Rev. 03/04

AGREEMENT OF DISTRIBUTORSHIP

Upon acceptance of this application by HERBALIFE, and prior thereto while the undersigned applicant for a Distributorship (hereinafter called Distributor) is selling Herbalife products, Distributor agrees:

1. Distributor will operate his/her own business, will buy Herbalife products for cash, will promote their sale and will abide by all of Herbalife's rules, regulations, policies and procedures as amended from time to time, including those set forth in the Herbalife International Business Opportunity Manual (hereinafter called the Herbalife Career Book) which are hereby incorporated by reference.
2. Distributor is an independent contractor (for all purposes, including tax and otherwise), and is not an employee, legal representative or agent of Herbalife or of any other Herbalife Distributor.
3. Herbalife, insofar as it is reasonably possible, will sell for cash to Distributor, Herbalife products in whatever quantity Distributor may require.
4. For a period of three (3) years after termination of this Agreement Distributor will hold in confidence any trade secrets, formulas, sales and distribution systems, business information, and literature which Distributor acquired during the term of this Agreement and will not use directly or indirectly such items. For such period Distributor also agrees not to enter or participate in a competing business or business activity.
5. Distributor will operate his/her business at all times in such manner as to enhance the reputation of Herbalife and its trade name.
6. (a) Herbalife may in its absolute discretion immediately suspend and/or terminate the Distributorship by notice in writing to the Distributor in the event that Herbalife has reasonable grounds for believing that the Distributor has breached any provision of this Agreement or the rules as set forth in the Herbalife Career Book.
(b) Herbalife may in its absolute discretion and for any reason whatsoever suspend and/or terminate this Agreement on thirty (30) days written notice to the Distributor which it is agreed shall be sufficient notice.
7. This Distributorship may not be assigned without the written consent of Herbalife, which consent can be withheld by Herbalife in its absolute discretion.
8. Distributor understands that the signing of this Agreement and his or her purchase of an International Business Pack (IBP) are all that are needed to become a Distributor, and he or she hereby acknowledges receipt of this IBP. If within ninety (90) days the Distributor decides not to continue as a Distributor, he or she shall submit to Herbalife, a written, notarized resignation; he or she must then return the IBP to his or her original Sponsor, who will provide a pro rata refund, i.e., a refund only for those unused IBP contents that are still in good and resalable condition, less a handling charge as determined by Herbalife. For transactions occurring in Wyoming, the refund period may exceed 90 days provided the returned IBP contents are currently marketable and unopened.
9. After the date of termination of the Distributorship, the Distributor and spouse (as defined in the Herbalife Career Book) must observe the minimum 1-year period of inactivity as a Distributor before re-applying for or participating in another Herbalife Distributorship.
10. Herbalife shall not be liable for any incidental or consequential damages caused by its breach, termination or suspension of this Agreement, whether or not the possibility for such damages is known to Herbalife.
11. This Agreement is binding upon and inures to the benefit of the parties, their heirs and successors in interest. If any provision of this Agreement is found to be unenforceable or invalid, the validity of the remaining provisions shall not be affected.
12. Distributor acknowledges that subject to the rules contained in the Herbalife Career Book there will be an annual processing fee associated with this Distributorship.
13. Distributor will make no claims about any product, which have not been approved in writing by the Company. Distributor will make no medical claims regarding any product.
14. Personal information provided by Distributors (including, for example, name, address, telephone, email address, credit card number, bank information in connection with automatic deposit/debits), may be used by Herbalife for a variety of purposes, such as confirming and fulfilling orders, administrative, marketing, publication, communications, compliance purposes, providing Customers with contact information about Herbalife Distributors, providing Distributors with access to Lineage Reports, which includes access to all data relating to Distributor downlines, adding Distributors to mail and email subscription lists to communicate offers on products and services, including those of its affiliates and partners, as well as in connection with vendors that provide services to Herbalife, such as processing of credit card payments. Information may be transferred among Herbalife's related or affiliated companies and partners. Herbalife may also disclose and use information to identify, contact or bring legal action against persons or entities that may be causing injury to Herbalife or others, including disclosure to legal authorities, when Herbalife believes such disclosure is necessary.

WHOLESALE PRODUCT ORDER FORM

UNITED STATES DISTRIBUTOR

Order Number: _____

Purchased By:	1										
Name: _____ Herbalife ID Number: <table border="1" style="display: inline-table; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>											2
Fully Qualified Supervisor	3										
Name: _____ Herbalife ID Number: <table border="1" style="display: inline-table; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>											4
Month & Year of Qualification: _____ / _____ <div style="display: flex; justify-content: space-around; width: 100%;"> Month Year </div>	5										
Qualifying Supervisor - Temporary 50%	6										
Name: _____ Herbalife ID Number: <table border="1" style="display: inline-table; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>											7

Ship To		2
Name: _____		
Address: _____		

Telephone: _____		Fax: _____
E-mail Address: _____		
Payment Method		4
<input type="checkbox"/> Credit Card	<input type="checkbox"/> Personal Check*	<input type="checkbox"/> APS No. <table border="1" style="display: inline-table; width: 40px; height: 20px; vertical-align: middle;"></table>
<input type="checkbox"/> Cashier's Check	<input type="checkbox"/> Wire Transfer	<input type="checkbox"/> Other: _____
Credit Card Type: _____		Expiration Date: _____ / _____ Month Year
Credit Card Number: <table border="1" style="display: inline-table; width: 200px; height: 20px; vertical-align: middle;"></table>		
Authorized Signature: _____		

[illegible]

* The following states freight is taxable: Georgia, Kansas, Mississippi, Nevada, North Carolina, Pennsylvania, South Dakota, Texas, Washington, and West Virginia. If a state is not mentioned it is NOT taxable.



Herbalife International of America, Inc.
9800 La Cienega Blvd.
P.O. Box 80120
Los Angeles, California 90080-0120

310 216-7770 - English Phone Orders
310 348-8513 - Spanish Phone Orders
310 216-5160 - Fax Orders
310 568-0532 - Automated Orders - 24 Hours

PROMOTE! & LITERATURE ORDER FORM

Order Date: _____

Order Month: _____

Order Number: _____

Mon. - Fri. 5:00am - 7:00pm Sat. - 6:00am - 2:00pm (PST)

Purchased By	1
Name: _____	
Herbalife ID Number:	<div style="display: flex; justify-content: space-between;"> [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] </div>

Fully Qualified Supervisor																			
<p>Name: _____</p> <p>Herbalife ID Number: <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table></p> <p>Month & Year of Qualification: _____ / _____</p> <p style="text-align: center; font-size: small;">Month Year</p>																			

[illegible]

Ship To		2
Name: _____		
Address: _____		

Telephone: _____		Fax: _____
E-mail Address: _____		

Payment Method		2
<input type="checkbox"/> Credit Card	<input type="checkbox"/> Personal Check*	<input type="checkbox"/> APS No.
<input type="checkbox"/> Cashier's Check	<input type="checkbox"/> Wire Transfer	<input type="checkbox"/> Other: _____
Credit Card Type: _____ Expiration Date: _____ / _____ <div style="text-align: right; font-size: small;">Month Year</div>		
Credit Card Number: 		
Authorized Signature: _____		

*Checks accepted ONLY from Fully Qualified Supervisors of 30 days or more.

[illegible]

Shipping Instructions

☐ STD FedEx Prepaid ☐ Express (please see box below) ☐ Pick-up

Order Shipping via FedEx Home Delivery Ground Policy		6
Retail Total		
\$1,000 and Up	2.5%	
\$700 - \$999.99	3%	
\$400 - \$699.99	3.5%	
\$125 - \$399.99	4%	
Total Retail Less than \$125.00	\$6.00 minimum charge	

Other Shipping Methods	
FedEx – 2 Day	6% - \$8.00 minimum
FedEx – 1 Day	10% - \$16.00 minimum
All Other Shipping Methods	COD

Totals		A	B	C	D	E	F	G	H
Retail Total (B + C)				D					
Packaging & Handling (7% x Total of B)				E	+				
* Order Shipping Charge (____% x D)				F	+				
Orders less than \$125, \$6 minimo									
** Tax (____% x Total of D)				G					
Total Amount Due (Add D + E + F + G)				H	=				

*New Single Unit Order Shipping Policy for U.S.A. effective September 18, 2000.

**IBP 6 Packs-Sales Tax Calculated on \$437.30. Arizona, Florida, Illinois, Pennsylvania, Texas, and Washington tax may vary in these states.



HERBALIFE.

RETAIL ORDER FORM

DISTRIBUTOR

NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

PHONE (____) _____

DATE _____

DISTRIBUTOR

NAME _____
ADDRESS _____
CITY _____ STATE _____ ZIP CODE _____
PHONE () _____

CUSTOMER

NAME _____
ADDRESS _____
CITY _____ STATE _____ ZIP CODE _____
PHONE () _____

[illegible]

PLEASE ARRANGE TO GIVE A FREE HOME DEMONSTRATION

NAME _____ PHONE _____
ADDRESS _____
CITY _____ STATE _____ ZIP CODE _____
NAME _____ PHONE _____
ADDRESS _____
CITY _____ STATE _____ ZIP CODE _____

CUSTOMER'S SIGNATURE

understand that this order may be considered as an invitation to call upon me from time to time, with the understanding that I will be under no obligation to buy.

Distribution: *White-* For your records. *Yellow and Pink-* To customer.

03/04 03/04

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HERBALIFE REFUND POLICY

You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the notice of cancellation form below for an explanation of this right. After the 3-day cancellation period provided above, you are still protected by the **HERBALIFE REFUND POLICY** as set forth below.

Herbolife offers an exchange or a full refund. Simply request a refund from your Distributor within thirty (30) days from your receipt of the product and return the unused portion with the product containers to the Distributor named on the reverse side. A refund of 100% of the product cost will be provided.

FEDERAL AND STATE LAW: Regulations require that we print the following Notice of Cancellation. The Herbalife Refund Policy offers for greater protection than the law requires.

NOTICE OF CANCELLATION (ENTER DATE OF TRANSACTION)

Date _____ Year _____

You may CANCEL this transaction, without any penalty or obligation, within THREE BUSINESS DAYS from the above date.

DATE'S from the above date.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or seller, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your Notice of Cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed copy of this Cancellation Notice or any other written notice, or send a telegram to:

HERAUSGEBER

POSTAL ADDRESS

DO NOT CANCEL THIS TRANSACTION:

DATE _____

BUYER'S SIGNATURE

Abstract



Please mail/fax this completed form using the information below:

Herbalife International of America, Inc.
9800 La Cienega Boulevard
P.O. Box 80210
Los Angeles, California 90080-0210
Distributor Services: (866) 866-4744
Fax: (310) 258-7112

Please mark the appropriate box(s) below

SUPERVISOR QUALIFICATION FORM

Date: _____

Fully Qualified Supervisor:

Only 1 application is required for each leg qualifying in your organization. Please submit this form to your Distributor Services Department no later than the 5th of the month following your Distributor's qualifying orders. Please attach copies of the original Distributor Applications for the Distributors qualifying in your organization.

Qualifying Month/Year: _____

*One-Month Qualification <input type="checkbox"/> <p>Achieve a minimum of 4,000 Volume Points in one month of which at least 1,000 Volume Points are unencumbered (not used by another Distributor to qualify).</p>	Two-Month Qualification <input type="checkbox"/> <p>FIRST MONTH OF A TWO-MONTH QUALIFICATION: <input type="checkbox"/> Achieve a minimum of 2,500 Volume Points in one calendar month of which at least 1,000 Volume Points are unencumbered Volume Points.</p> <p>SECOND CONSECUTIVE MONTH OF A TWO-MONTH QUALIFICATION: <input type="checkbox"/> Achieve a minimum of 2,500 Volume Points in one calendar month of which at least 1,000 Volume Points are unencumbered Volume Points.</p> <p>When completing a two-month qualification, an application must be turned in separately each month. *50% status applies on the 1st of the month following the completion of your two-month qualification.</p>	Qualifying With Organization <input type="checkbox"/> <p>Did your downline qualify with their organization? Please list below the names, Herbalife IDs# and unencumbered Volume Points of the Distributors qualifying in this organization.</p> <p>Each Distributor must have a minimum of 1000 Volume Points that are not being used by another Distributor becoming a Supervisor (unencumbered volume). The bottom Distributor in the organization must have 4,000 Volume Points for a one-month qualification or a minimum of 2,500 Volume Points for a two-month qualification.</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

If there are more Distributors qualifying in this organization, please add to the chart as appropriate, and attach additional Distributor information (i.e. Name, Herbalife ID# and Volume Points) or complete a new form. Please complete a *separate* form for each new leg qualifying.

FULLY QUALIFIED SUPERVISOR

1st LEVEL

1-Month ☐
1st Month ☐
2nd Month ☐

Please check one box for each DS qualifying

2nd LEVEL

1-Month ☐
1st Month ☐
2nd Month ☐

3rd LEVEL

1-Month ☐
1st Month ☐
2nd Month ☐

4th LEVEL

1-Month ☐
1st Month ☐
2nd Month ☐

Full Qualified Supervisor Name

Herbalife ID Number

Telephone Number

Fully Qualified Supervisor: Please write the name, Herbalife ID number and Volume Points below for each Distributor qualifying in your organization.

1st Level:

Distributor Name

Herbalife ID Number

Unencumbered Volume Points

2nd Level:

Distributor Name

Herbalife ID Number

Unencumbered Volume Points

3rd Level:

Distributor Name

Herbalife ID Number

Unencumbered Volume Points

4th Level:

Distributor Name

Herbalife ID Number

Unencumbered Volume Points

*Don't forget to call telephone number (866) 866-4744 to place these qualifying Distributors at Temporary 50% status.



HERBALIFE INTERNATIONAL OF AMERICA, INC.
9800 S. La Cienega Boulevard, P.O. Box 80210
Los Angeles, California 90080-0210
Distributor Relations: (866) 866-4744

TAB TEAM PRODUCTION BONUS APPLICATION AND AGREEMENT

Please carefully review and complete this Application and Agreement in order to be eligible for consideration to compete for TAB Team Production Bonuses and, on the following terms, to earn the right to other payments from Herbalife International of America, Inc.

Your Application must be received and approved by Herbalife International of America, Inc., in its discretion, before any TAB Team Production Bonuses are earned. The TAB Team Production Bonus is only available to fully qualified TAB Team Members who continue to comply with all of the terms and conditions contained in this Agreement.

Mail using the information above, Attention: Royalty Overrides Department.

Personal Information (please print)

--	--	--	--	--	--	--	--	--

Herbalife ID Number

[illegible]

Distributor's Last Name

Distributor's First Name

[illegible]

Spouse's Last Name

Spouse's First Name

[illegible]**Current Mailing Address**[illegible]

City

State Zip Code [illegible]

Cntry Code	Area Code	Day Phone
------------	-----------	-----------

Area Code Even/No Bone

Area Code FAX

Agreement

In consideration for and as a condition of the opportunity to qualify to receive the Herbalife Production Bonus, and to protect the integrity and loyalty of the Herbalife business, I agree that:

- I agree that:
- A. I have been and will remain in full compliance with all Herbalife, then current rules and the laws of those countries in which I do business. Specifically, I pledge not to make medical claims or to misrepresent Herbalife's products, services, opportunity, and to abide by all tax requirements.
- B. Participation in the TAB Team Production Bonus Program ("Program") is a privilege and not a right. Among other things, it rests upon the responsibility of leadership to train and teach the Herbalife business and philosophy.
- C. I represent and warrant that I am not, directly or indirectly through any person, entity, or artifice, participating in or promoting the products, services or earnings opportunity associated with any other multi-level marketing or direct sales company. I agree that I will not do so while I am participating in the Program. Without limiting the generality of the foregoing, I agree: while I am a Herbalife Distributor, I may not, directly or indirectly, solicit, promote, sponsor or recruit any Herbalife Distributor to join, or participate in any way with, any other multi-level marketing or direct sales company; and; that these prohibitions apply to my spouse and myself, acting through any company or entity which my spouse or I may control or in which either of us have an economic interest.
- D. All aspects of my relationship with Herbalife, including but not limited to those relating to the Program, are and shall remain subject to modification by Herbalife in its discretion from time to time, such modifications to take effect upon the publication by Herbalife or upon such other date as such publication shall indicate.
- E. I am an independent contractor selling Herbalife's products and sharing its earnings opportunities with others. Nothing in this Agreement or in any other aspect of my relationship with Herbalife shall give rise to any of the following legal relationships between Herbalife and myself: employee, agent, partner or joint venturer. Specifically, I am not an employee of Herbalife for Federal tax purposes, or for any other State or Federal tax or non-tax purpose.
- F. I may not conduct business in any country in which Herbalife has not yet officially opened for business.
- G. If, in connection with the conduct of my Herbalife business, I violate applicable laws or Herbalife rules, including those rules mentioned or referred to above, Herbalife shall have the right not to pay me the TAB Team Production Bonus ("Bonus") and not to pay me any other monies for which I may be otherwise qualified, and that Herbalife may terminate my Herbalife Distributorship, in its sole discretion and without any further liability or obligation to me.
- H. Herbalife, at its sole discretion may disqualify a Distributor from receiving the TAB Team Production Bonus.
- I. A condition of receiving the TAB Team Production Bonus is accepting responsibility for the methods by which members of my downline are recruited and the development of my downline according to applicable law and by Herbalife's rules. As a part of that responsibility, I understand that any request by my downline for Herbalife to repurchase products -- in any Herbalife country-- will result in a loss to me of any applicable Commission, Royalty Override, Production Bonus or TAB Team status associated with the volume that is repurchased. If I lose my TAB Team qualification as a result of these deductions, I will return to Herbalife any TAB Team pins earned previously by me for that team status.
- J. Any dispute between Herbalife and me arising from or relating to this Agreement or any other aspect of my relationships with Herbalife, shall be adjudicated solely and exclusively in the State or Federal Court sitting in Los Angeles, California, and shall be construed under and governed by the domestic law of the State of California.

Agreed

Distributor's Signature:

Date _____

Spouse's Signature:

Date _____

Distribution: Send original to Herbalife. Keep copy for your records.

4083-IIS-04 Rev. 03/04



HERBALIFE®

Automatic Payment Service (APS) Authorization Agreement

I authorize HERBALIFE INTERNATIONAL (HERBALIFE) to begin deductions from my account with the financial institution named for payment of my HERBALIFE product, literature and/or sales promotion orders (Herbalife orders).

This authorization will remain in effect until properly revoked by me in writing. I understand that my right to stop automatic payment of my HERBALIFE orders will be effective upon receipt of timely written notice by HERBALIFE and/or my designated financial institution prior to the time my account is charged. I understand that HERBALIFE and/or the financial institution indicated reserve the right to end this payment plan and my participation therein upon dispatch of timely written notice.

APS IS AVAILABLE TO SUPERVISORS WHO QUALIFIED FOR 30 DAYS OR MORE.

**NOTE: IMPORTANT INFORMATION BELOW - PLEASE COMPLETE
ONE APS APPLICATION PER DISTRIBUTORSHIP**

Please print your name (as shown on financial institution records) _____ () _____
Daytime Telephone Number

Home Address _____ Street _____ City _____ State _____ Zip Code _____

E-mail Address _____

Name and ID Number on HERBALIFE Distributor Application (please print) _____ Social Security Number _____

Indicate four digit code number (must be numerical, no letters) to be used for verification*

Signature (Primary Distributor) _____ If Joint Account (Other Signature) _____ Date _____

Please allow 15 days for processing

IMPORTANT: To avoid delay in processing, you must attach a check marked "VOID" or a savings account deposit ticket (most savings accounts only allow a limited number of deductions per month) with your bank's routing number and your account number noted on the deposit ticket. In addition, please verify this information with your bank especially if using a credit union account as the transit routing number may be different than what is on your check or deposit ticket. Please fill in the spaces provided below:

Transit Routing Number (9 digits) _____ Bank Account Number _____ ☐ ☐
Checking Savings

Name of Your Bank, Savings & Loan, etc... _____ City, State _____ Bank Telephone # _____ () _____

* Please fill in the boxes provided with a four-digit Personal Identification Number (PIN). (You decide the code - it could be a birth date, anniversary date or anything.) Please remember your PIN and refer to it each time you place an APS Phone-In order. Please keep a copy of this application for your records.

RETURN THIS ENTIRE PAGE TO: HERBALIFE INTERNATIONAL OF AMERICA, INC.
ATTN: ACCOUNTS RECEIVABLE DEPARTMENT
P.O. BOX 80210
LOS ANGELES, CA 90080-0210

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Rev. 03/04

BUSINESS ADMINISTRATION 35
HERBALIFE 6186

Attach voided check here



HERBALIFE.

HAP Automatic Payment Service (APS) Authorization Agreement

I authorize HERBALIFE INTERNATIONAL (HERBALIFE) to begin deductions from my account with the financial institution named for payment of my HERBALIFE product, literature and/or sales promotion orders (Herbalife orders).

This authorization will remain in effect until properly revoked by me in writing. I understand that my right to stop automatic payment of my HERBALIFE orders will be effective upon receipt of timely written notice by HERBALIFE and/or my designated financial institution prior to the time my account is charged. I understand that HERBALIFE and/or the financial institution indicated reserve the right to end this payment plan and my participation therein upon dispatch of timely written notice.

**NOTE: IMPORTANT INFORMATION BELOW - PLEASE COMPLETE
ONE APS APPLICATION PER DISTRIBUTORSHIP**

Please print your name (as shown on financial institution records)		()		Daytime Telephone Number	
Home Address	Street	City	State	Zip Code	
E-mail Address					
Name and ID Number on HERBALIFE Distributor Application (please print)			Social Security Number		
Indicate four digit code number (must be numerical, no letters) to be used for verification*				<input type="text"/>	<input type="text"/>
Signature (Primary Distributor)		If Joint Account (Other Signature)		Date	

Please allow 15 days for processing

IMPORTANT: To avoid delay in processing, you must attach a check marked "VOID," or a savings account deposit ticket (most savings accounts only allow a limited number of deductions per month) with your bank's routing number and your account number noted on the deposit ticket. In addition, please verify this information with your bank especially if using a credit union account as the transit routing number may be different than what is on your check or deposit ticket. Please fill in the spaces provided below:

Transit Routing Number (9 digits)	Bank Account Number	<input type="text"/>	<input type="text"/>
		Checking	Savings
Name of Your Bank, Savings & Loan, etc...		City, State	Bank Telephone #

* Please fill in the boxes provided with a four-digit Personal Identification Number (PIN). (You decide the code - it could be a birth date, anniversary date or anything.) Please remember your PIN and refer to it each time you place an APS Phone-In order. Please keep a copy of this application for your records.

RETURN THIS ENTIRE PAGE TO: HERBALIFE WORLD HOME OFFICE
ATTN: ACCOUNTS RECEIVABLE DEPARTMENT
 P.O. BOX 80210
 LOS ANGELES, CA 90080-0210

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Rev. 03/04



HERBALIFE INTERNATIONAL OF AMERICA, INC.
9800 S. La Cienega Boulevard
P.O. Box 80210
Los Angeles, California 90080-0210

Phone (866) 866-4744
Fax (310) 258-7016

CHANGE OF ADDRESS

If you wish to request a change of address the following procedure must be followed:

- Complete this form.
- Mail/Fax this form using the information above to the attention of DISTRIBUTOR RELATIONS
- You may also submit your change of address information directly to Herbalife online at www.herbalifecentral.com (if change is within same country)

Do you wish to change your (please check):

- ☐ E-Mail Address
☐ Mailing Address
☐ * Legal/Fiscal Address

* If this is a change to your country of legal/fiscal address, please contact Distributor Relations, as you will need to supply additional documentation for this change to be processed.

All changes will be effective immediately upon completion of the processing of this form by Herbalife.

Personal Information

Last Name										First Name										Middle Name									
Herbalife ID No.										U.S. Social Security Number																			

Previous E-mail Address

New E-mail Address

Previous Mailing Address

Country of Address																			
Street Address																			
City					State					Zip Code									
Country Code			Area Code			Day Phone													
Area Code			Evening Phone																
Area Code			Fax																

New Mailing Address

Country of Address																			
Street Address																			
City					State					Zip Code									
Country Code			Area Code			Day Phone													
Area Code			Evening Phone																
Area Code			Fax																

Previous Legal/Fiscal Mailing Address

Country of Address																			
Street Address																			
City					State					Zip Code									
Country Code			Area Code			Day Phone													
Area Code			Evening Phone																
Area Code			Fax																

New Legal/Fiscal Mailing Address

Country of Address																			
Street Address																			
City					State					Zip Code									
Country Code			Area Code			Day Phone													
Area Code			Evening Phone																
Area Code			Fax																

Your Signature: _____

Date: _____

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5015-US-25 Rev. 03/04

BUSINESS ADMINISTRATION 37
HERBALIFE 6188



Herbalife International of America, Inc.
(310) 410-9600

CUSTOMER REQUEST FOR REFUND

Mail to your nearest Herbalife Distribution Center

DISTRIBUTOR RELATIONS

Tel.: (866) 866-4744

Date: _____

CUSTOMER:

Name: _____
Address: _____
City: _____
State: _____ Country: _____
Zip/PostalCode: _____ Telephone: () _____

SHIP TO:

Name: _____
Address: _____
City: _____
State: _____ Country: _____
Zip/PostalCode: _____ Telephone: () _____

REFUND INFORMATION:

I request refund for purchase price of _____
in the amount of \$ _____

For the following reasons: _____

Refund acknowledged in the amount of: \$ _____

DISTRIBUTOR:

Name: _____
Herbalife ID Number: [] [] [] [] [] [] [] [] [] []

I herewith return the unused portion (☐ 3/4 ☐ 1/2 ☐ 1/4) of the product along with my receipt/copy of the retail order form to the Distributor for return to the Company as required under the 30-Day Money-Back Guarantee after trying the product for: ☐ 1 week or less; ☐ 2 weeks; ☐ 3 weeks; ☐ 4 weeks.

Customer Signature: _____

THIS FORM IS NOT VALID WITHOUT A COPY OF THE RETAIL ORDER FORM/INVOICE

This form will help us find out what we can do as a company to further help our customers, our company growth, and most of all you the Distributor, to better service your customers in the field and to build a bigger and better repeat business for your future.

TO HERBALIFE

I certify that I have refunded the above stated amount to customer. Unused portion of the product: ☐ 3/4 ☐ 1/2 ☐ 1/4 and customer's copy of receipt/copy of retail order form, is hereby returned for replacement in kind.

Distributor Signature _____ Date: _____

NOTICE TO THE DISTRIBUTOR

This form must be completely and accurately filled out and signed to be returned in duplicate, together with the unused portion of the product, along with customer's receipt/copy retail order form, to the warehouse within thirty days following refund to customers.

DISTRIBUTION CENTER RECEIPT

Unused portion of product and customer's retail receipt/copy of retail order form have been received by the distribution center within thirty days following refund to customer and product has been replaced in kind.

DESCRIPTION OF PRODUCT

SHIPPED BY

PICK-UP

Warehouse Clerk: _____ Date: _____

Distributors have Herbalife's permission to duplicate this document.
Distribution: Send copies to Herbalife. Keep original copy for your records.
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30-DAY MONEY-BACK GUARANTEE

REFU-US-01 Rev. 03/04



HERBALIFE INTERNATIONAL OF AMERICA, INC.
P.O. Box 80210
Los Angeles, California 90080-0210
(310) 410-9600

Mail/fax to:

Herbalife International of America, Inc.

P.O. Box 80210

Los Angeles, CA 90080-0210

Fax # (310) 216-5147

DISTRIBUTOR RELATIONS

Tel.: (866) 866-4744

**EARNINGS CERTIFICATION
ROYALTY OVERRIDE/PRODUCTION BONUS
10 CUSTOMER/70% RULE DOCUMENTATION FORM**

This form must be completed monthly to comply with the Ten Customer and 70% Rule for Herbalife Independent Distributors.

INSTRUCTIONS:

- 1) You may submit your Ten Customer Form directly to Herbalife online at HerbalifeCentral.com
- 2) Or, send this report to Herbalife, postmarked no later than the last day of the month and received by Herbalife no later than the fifth of the month. (This deadline applies to all methods of submission.)
- 3) Mail or Fax using the information above.
- 4) Keep one copy of this form for your personal files.

In addition to all the existing Royalty Override requirements, you must also comply with the TEN CUSTOMER and 70% RULES in order to receive your Royalty Override/Production Bonus payments.

The TEN CUSTOMER RULE means that you must make not less than one sale at retail to each of 10 customers during a given month. (The customers can be new or repeat customers.) The 70% RULE means that you must sell at least 70% of the total value of products you retain for resale each month to retail customers and/or wholesale to downline Distributors. **EACH OF THESE REQUIREMENTS MUST BE MET OR YOU WILL NOT RECEIVE YOUR ROYALTY OVERRIDE/PRODUCTION BONUS CHECK FOR THAT MONTH!**

I certify that I have made at least one retail sale to each of at least 10 different customers during the month of _____, year ____ and will, upon request, furnish the names, addresses, phone numbers and copies of retail receipts concerning such customers to Herbalife International of America, Inc. I agree to maintain all such records for a period of two years.

My total personal retail sales: \$ _____

I further certify that I have sold at least 70% of the product I have purchased for resale to my retail customers and downline Distributors.

Name: _____ Herbalife ID Number: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Signed: _____ Date: _____

Mail/Fax to Herbalife. Keep a copy for your records.
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5074-US Rev. 03/04

Herbalife/TouchFON

- **New applicants! fill out this form completely**
(if using Check Debit, be sure to include a copy of your voided check or deposit slip).
- **If you already have TouchFON service and you want the Herbalife Corp. Rate, addition to the Herbalife Message Network, and to begin earning credit towards your TouchFON bill simply fill out the "Referred Account List" form and return it to TouchFON ASAP...That's it! You do not have to fill out this application form**
- **U.S., Puerto Rico and Jamaican Residents ONLY, Fax form directly to TouchFON International at (801) 366-2106 ASAP! OR mail to: TouchFON International, P.O. Box 11216 Salt Lake City, Utah 84147**
- **Allow 2 to 4 days for processing of your application & activation of your personal mailbox, you will receive a call from a TouchFON service Coordinator.**

ENROLLEE INFORMATION:

Name: _____

Address: _____

CITY STATE ZIP CODE

Social Security #: _____

Home Phone: (_____) _____

Office Phone: (_____) _____

Fax #: (_____) _____

E-mail Address: _____

☐ Cover Sheet ☐ No Cover Sheet

Sponsor's Name: _____

PAYMENT INFORMATION:

I hereby authorize and request Automatic Payment Systems hereinafter called COMPANY to effect payment for any amounts to be paid by me, as indicated below in the bank named below, hereinafter called BANK and I authorize and request BANK to accept and debit entries by COMPANY to such account and to debit the same to such account.

Credit Card (Option):

☐ VISA ☐ MASTERCARD ☐ AMEX ☐ DISCOVER

Credit Card #: _____

Expiration Date: _____

Signature: _____

SERVICE INFORMATION:

800/888/877 Voice & Fax Mail Number

Cost of Service: \$6.50 Base Rate;

U.S.: \$0.169 / per minute;

billed in six second increments, U.S. Funds Only

Check / Bank Draft (U.S. Bank Only):

Bank Name: _____

Bank Address: _____

Customer Bank Account #: _____

☐ Checking Account ☐ Savings Account

Language Prompt:

Please indicate below your Voice Prompt Language Preference:

☐ English (default) ☐ Spanish ☐ French

Signature: _____ Date: _____

(Please attach your voided check or deposit slip)

*** * PLEASE USE A DARK PEN AND PRINT CLEARLY !!!**

Herbalife ID #: _____ Team Status: _____

Upline: President's Team Member: _____

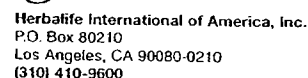
Millionaire Team Member: _____

GET Team Member: _____

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Success Builder Order Number: _____ Date: _____

**U.S. Fax Numbers: (310) 557-3902
(310) 557-3911**



BUSINESS ADMINISTRATION 41
HERBALIFE 6192



LONG DISTANCE SERVICE AGREEMENT

Network Services Provided by MCI WORLDCOM, Inc.



- Pick ☐ **4.9¢** (4.9 cents State to State)*
 One ☐ **4.9¢ w/In-State SuperSaver** (Same 4.9¢ Plus program as above, with lower instate rates, additional \$3.00 monthly fee applies.)
 Plan ☐ **4.25¢** (4.25¢ State to State, \$25.00 minimum monthly requirement applies)*
 Only

OUTBOUND	INBOUND
1802	1803
1912	1913
1286	1287

FOR
OFFICE
USE ONLY
PRODUCT
CODES

LONG DISTANCE CALL (1+)

State-to-State, 6 Second Billing! \$3.95 Monthly Plan Fee

- ☐ Single Account
☐ Group Billing Fill out a separate Corporate Hierarchy Group Billing Form. Attach additional service agreements and Commercial Application for Credit and Service (if applicable).

MAIN BILLING NUMBER (REQUIRED)
 2ND TELEPHONE NUMBER
 3RD TELEPHONE NUMBER

ADDITIONAL PHONE NUMBERS:
 Attach an additional sheet if necessary

TOLL FREE CALL (800/888/877/866)

800/888/877/866 Toll Free #'s, State-to-State, 6-Second Billing!

Area of service will be United States. If different, please call customer service and specify.

- ☐ YES! I would like a new toll-free number with no setup fee and no additional monthly fee.

ENTER THE PHONE NUMBER THAT YOU WANT THE "TOLL-FREE" NUMBER TO "RING IN" TO.

- ☐ Check here if you have an existing toll-free number and fill out a "Responsible Organization" form.
 AN FCC MANDATED SURCHARGE APPLIES TO ALL TOLL-FREE CALLS PLACED FROM PAY PHONES.

CALLING CARD

QUANTITY:

1602

If "QUANTITY" is not marked, NO cards will be sent.

13.9¢ Per minute in U.S., 6-second billing, 18 second minimum for inter/intrastate, 30 second minimum for International calls. An FCC mandated surcharge applies to calling cards and Toll-Free calls placed from payphones.

14-DIGIT RANDOM PIN
 CIN CODE 205

- ☐ YES! I want to enroll in both TTI National's long distance and local toll service (where available)!
- ☐ YES! I want to enroll in TTI National's long distance only. Checking this box means that TTI National will not carry my local toll service.

By signing below, I am authorizing TTI National, Inc. to become my new primary carrier for the provision of service(s) that are checked above to the telephone number(s) listed above. I authorize TTI National, Inc. to act as my agent to make this change happen, and direct my current primary carrier to work with TTI National, Inc. to effect this change. I understand that my change request will apply only to the telephone numbers listed above. I also understand that my new primary carrier may have different calling areas, rates and charges than my current primary carrier and that by signing below I indicate that I understand those differences (if any) and am willing to be billed accordingly. I also authorize TTI National, Inc. to send me the number of calling card(s) indicated above, if any. I certify that I have read and understand this Letter of Authorization. I further certify that I am at least 18 years of age, and that I am authorized to change telephone companies for services to the telephone numbers listed above.

I understand that only one telecommunications carrier may be designated as my primary long distance carrier for any one telephone number. To the extent that my state allows me to choose an additional primary carrier for local exchange service, intrastate long distance service, local toll service or international long distance service, I understand that I may designate different carriers for each. I also understand that there can only be one local exchange carrier and one local toll service carrier for each telephone number.

Services are provided pursuant to the applicable TTI National, Inc. tariff, which may be amended from time to time, and is made part of this application. I further understand that this offer of TTI National, Inc. services is subject to credit approval, and certify that the information on this application is correct, to the best of my knowledge. I accept responsibility for payment of all charges incurred.

I understand that I must pay a charge of approximately \$5.00 to my local telephone company to switch primary carriers. TTI National, Inc. will issue a credit (not to exceed \$5 per line) upon customer's request. If I later wish to return to my current primary carrier, I may be required to pay a reconnection charge to my local telephone company.

EMAIL ADDRESS

AUTHORIZED SIGNATURE

Your signature will result in a change of your provider.

PRINT NAME

The Service Application must be signed by the person whose name appears in the "Customer Name" line or "Responsible Person" line, if different.

DATE

OPTIONAL CREDIT CARD INVOICING: Credit card invoicing will include all of the TTI National services provided to the customer. CHOOSE ONE: ☐ MC ☐ VISA ☐ AM EX

CARDHOLDER'S EXACT NAME

CARD NUMBER

EXPIRATION DATE

DATE

AUTHORIZED CREDIT CARD SIGNATURE

(I authorize TTI National to bill all my monthly long distance charges to my current credit card as designated on this application until such time as I notify TTI National in writing of termination of this authorization)

CHECK BOX THAT APPLIES

- ☐ Residential Account
☐ Sole Proprietorship or Partnership WITHOUT TAX ID#
☐ Commercial Account
 *Must be accompanied by a Commercial Application for Credit & Service

Did You Check Residential, Sole Proprietorship or Partnership? Skip The Form! Sign Up Right Now! Just Dial 1-877-4HERB28 (443-7228)!

Distributor's ID#

CUSTOMER NAME: Print name exactly as it appears on your local phone bill

PHYSICAL ADDRESS: Physical address of location requesting service

Street

City

State

Zip Code

MAILING ADDRESS: Mailing address if different than physical address above

Street

City

State

Zip Code

ESTIMATE OF MONTHLY LONG DISTANCE BILL \$

SOLE PROPRIETORSHIPS OR PARTNERSHIPS WITHOUT OWN TAX ID NUMBERS ON

First and last name of RESPONSIBLE PERSON required. Name MUST match SS # (provided below).

REQUIRED: Enter SS# or Tax # of "Customer Name." If joint residential account, SS# must match name appearing first on Customer Name line. If sole prop or partnership without Tax ID#, enter SS# of Responsible Person (at right). If using TAX ID# you must complete a Commercial Application For Credit & Service. If Estimated Monthly Usage exceeds \$1000 you must submit an original commercial application for credit & service.

SS # OR TAX ID #

California, Minnesota, Texas, Connecticut, Florida, Vermont, Michigan and New York applican (residential only) using a paper application: You must call 1-866-249-7562 (English) or 1-866-249-7562 (Spanish) to complete your change in long distance service; otherwise the switch WILL NOT occur.

*6 second billing with 18 second minimum for inter/intrastate calls. 30 second minimum for international cal Rates listed in this program reflect the current rates and are subject to change. All rates exclude Feder Universal Service Fee. Multiline business customers are also subject to a monthly Presubscri Interexchange Carrier Charge. The TTI National name and logo are proprietary marks of TTI National, Inc. its affiliates and are used by permission.

Mail this application to:

HERBATEL
 P.O.Box 399
 Santa Barbara, CA 93102

DISTRIBUTOR'S INFORMATION

FIRST AND LAST NAME

PHONE NUMBER

FAX NUMBER

DISTRIBUTOR'S ID#

MRC
 CHARGE
 CODE

12C

IMR#

Internal use only. Account number:

9999033

5896-US-08 Rev. 03

Rules of Conduct and Distributor Policies

RULES OF CONDUCT AND DISTRIBUTOR POLICIES

Introduction

These Rules of Conduct & Distributor Policies have been established for your protection. They represent the code of ethics by which all Herbalife Distributors must operate. We encourage you to read and understand them so you are fully aware not only of your own obligations, but also of your rights as an Herbalife Distributor. We believe Herbalife's products and Marketing Plan are the best in the industry. We also believe in our Distributors and in supporting them by working together to uphold the highest possible ethical standards. We are committed to maintaining the integrity of Herbalife, its Sales and Marketing Plan and its global distribution network of independent Distributors. In its sole and absolute discretion, Herbalife may impose any remedy or sanction it determines best addresses any breach of the Rules of Conduct & Distributor Policies. Herbalife also reserves the right in its absolute discretion to waive wholly or partially or to pardon or forgive wholly or partially any breach of any of the rules contained in this section.

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Rule No. 1 Becoming a Distributor and the Distributor Agreement

Rule 1-A How to Become a Distributor

To become an Herbalife Distributor, an Applicant must be sponsored by an active, authorized Herbalife Distributor. The Applicant must fully complete and immediately submit the Application for Distributorship to Herbalife. This Application for Distributorship is only available in an official Herbalife Distributor Kit (IBP), which the Applicant must have before becoming a Distributor.

It is the responsibility of the Sponsor to make the official Herbalife Distributor Kit (IBP) available and to assure the Application for Distributorship is completed fully and accurately and is immediately submitted to Herbalife International. No Application for Distributorship will be accepted as valid unless the Applicant owns a Distributor Kit (IBP).

The Applicant officially becomes an authorized Distributor when Herbalife's Home Office receives and accepts the Application for Distributorship. Herbalife reserves the right at its sole discretion, to accept or reject any Application, without having to provide justification for acceptance or rejection.

Rule 1-B Applications from Former Distributors

Former Distributors and/or their spouse, or other individual assisting in a Distributorship who want to re-apply to become a Distributor under a different Sponsor, must comply with all requirements and rules for rejoining as a Distributor, including but not limited to, maintaining a minimum of one year's inactivity after resignation or non-payment of Annual Processing Fee of the former Distributorship. Failure to comply with these rules is a serious violation of the rules and regulations of the Company and will result in serious penalties, usually termination. See Rule 7-E for complete details on the requirements and rules that apply to these individuals.

Rule 1-C Equal Opportunity

The Herbalife business opportunity is open to people from all walks of life, regardless of gender, race, nationality, religious beliefs, political affiliations or age, as long as the Applicant is at least 18 years of age and is otherwise legally capable of entering into a contractual agreement.

Rule 1-D Applicant's Address

The Application for Distributorship must show the Applicant's residence address to be in a country or territory in which Herbalife has approved operations. A list of those countries and territories is provided in the International Business Opportunity Manual (Career Book) and will be revised from time to time as necessary.

Rule No. 2 Requirements of Applicants

Rule 2-A Restrictions on Purchase Requirements

The only cost that can be required of an Applicant for Distributorship is the purchase of an unaltered official Herbalife Distributor Kit (IBP). No other requirements may be made of either prospective or existing Distributors, including but not limited to the following:

- Maintain any minimum stock levels of products or materials.
- Purchase any amount of materials, products or services, either those produced by Herbalife or by a party other than Herbalife,

except for the official Herbalife Distributor Kit (IBP).

- Purchase admission tickets to attend any seminars, meetings or other events.

Rule 2-B Payment for Information

A Distributor may not request a prospect or an applicant to make any payment in return for any information or assistance about becoming an Herbalife Distributor.

Rule No. 3 Age Requirements for a Distributor

Rule 3-A Applicant Must Be 18 Years of Age

An applicant must be at least 18 years of age to become an Herbalife Distributor and to conduct business in the USA. The minimum age requirements vary from country to country. For the requirements for other countries, please contact Distributor Relations.

Rule 3-B Minor Distributorships

A minor who is above the age of 14, may submit an Application for a minor Distributorship under certain conditions. This rule as written here applies only to the USA and varies from country to country. For consideration to become a minor age Distributor, the applicant must provide the following:

Notarized written approval from the parent(s) or legal guardian(s). The parent(s) or guardian(s) must accept responsibility for the actions of the minor.

If the parent(s) or guardian(s) is an Herbalife Distributor, then they must provide written, notarized authorization from their own Sponsor and upline Distributors, up to and including, their first three (3) active upline Supervisors, for the minor to become a Distributor, regardless of who is sponsoring the minor.

Additionally the parent(s) or guardian(s) who is a Distributor must provide a written statement that they will not help or participate in the development of the minor's Distributorship in any way that is a detriment to the parents'/guardians' own Sponsor or violates the Rules of Conduct that apply to the responsibility of their own Distributorship.

The Application must be submitted with all necessary supporting documentation to Herbalife Distributor Relations Department. Herbalife may request any additional authorizations or information it deems necessary to making a final decision on the acceptance of this Application.

Herbalife has sole discretion to accept or reject this Application for minor Distributorship without providing a reason for that rejection or acceptance. Herbalife will notify the Applicant in writing of the outcome of the Application.

Rule No. 4 Individuals Limited to One Distributorship

Rule 4-A One Distributorship Per Person

An individual may have only one Herbalife Distributorship, under one Sponsor. A Distributor may only participate in the development of one Distributorship. A Distributor is not permitted to retail, recruit, promote, train, educate or otherwise assist in the development of the Herbalife business, for any Distributorship other than their own, except to assist their downline organization, as is appropriate for a Sponsor. This policy applies to both the Distributor and their spouse.

Rule 4-B Applicant/Spouse or Individual Assisting in the Distributorship is a Former Distributor

If an individual applying to become a Distributor, or their spouse or other individual assisting in a Distributorship, was formerly an Herbalife Distributor, the Application will only be considered as valid if all the conditions set out in Rule 7- E and any other applicable Rules of Conduct have been met.

Rule 4-C Determination and Penalty for Dual Distributorships

In the event that an individual and/or their spouse complete and sign more than one Application for Distributorship, the first time the Applicant enters into a Distributor Agreement that is accepted by Herbalife is considered the valid Distributorship. If Herbalife determines that an individual has signed an Application for Distributorship, or has worked or assisted in the development of another Distributorship as defined in these Rules of Conduct, while obligated to a prior Distributorship, Herbalife has sole and absolute discretion to determine the disposition of both Distributorships, as well as any penalties or sanctions it deems necessary and appropriate for the Distributorship and the Sponsoring organization(s). An applicant that signs more than one Application for Distributorship, or participates in more than one Distributorship, may be completely disqualified as an Herbalife Distributor.

Rule No. 5 Married Distributorships

Rule 5-A Married Couples May Have Only One Distributorship

Married couples may have only one Distributorship, unless their circumstances fall under the guidelines of Rule 5-D or 13-C. They may not be under separate Sponsors nor can they sponsor each other. This rule applies whether one or both signed the Application for Distributorship.

Rule 5-B Couples Becoming Distributors Together

Married couples wishing to become Distributors together must complete and sign a single Application for Distributorship, thereby having only one Sponsor.

Rule 5-C A Distributor Who Marries

If a Distributor marries and the spouse wishes to become a Distributor, the spouse must conduct business in the existing Distributorship. They may request to have the spouse's name added to Herbalife's records for event attendance purposes.

Rule 5-D Two Distributors Who Marry

If two separate Distributors marry each other, then the couple must relinquish one of their Distributorships and become partners in the other. However, if both Distributors are Supervisors when they are married, then each may maintain their separate Distributorship, each remaining in the original line of sponsorship. Rules for remaining a Distributor still apply.

Rule 5-E Responsibility for Individuals Assisting in a Distributorship

If there is another person who assists in the operation of a Distributorship, who appears at Herbalife functions with the Distributor, or presents themselves as assisting in that Distributorship, who makes statements about their income or business achievements from the Herbalife business, or whom the Company is advised to recognize and acknowledge as assisting in the Distributorship, then the Distributor who submitted the Application for Distributorship is responsible for ensuring that the other individual assisting in the Distributorship follows all rules and regulations for Herbalife Distributors. Herbalife has sole discretion as to the determination and application of this policy.

Rule 5-F Liability of Married Distributorship

The liability of two (2) married Distributors who operate a Distributorship together shall be joint so that both such Distributors shall be responsible, and shall accept liability for, and shall be bound by, any act or omission of either Distributor and any payment by Herbalife to one such Distributor shall be deemed as payment to both such Distributors.

Rule No. 6 Corporations and Partnerships

Rule 6-A Distributorships Must Be Individuals

Herbalife only accepts Applications for Distributorship in the name of individuals. Applications in the names of corporations or partnerships will not be accepted. Distributors may request their Herbalife earnings be issued on checks made payable to someone else by submitting a written request to Herbalife Distributor Relations, provided there is a legitimate business reason. However, the Distributorship will remain in the name of the individual and the earnings of the Distributorship will be reported in the name and tax identification number of the individual Distributor.

Rule No. 7 Remaining a Distributor

Rule 7-A Distributorship Validity

A Distributorship is valid when accepted by Herbalife and no fee is payable for the granting of such Distributorship. The Distributorship continues until resignation by the Distributor or other termination of the Distributorship.

Rule 7-B Annual Processing Fee

Herbalife agrees to provide computer processing services for Distributors for which an Annual Processing Fee is due. Such computer services are limited to maintaining discount rates, lineage records and qualification status. Please contact Distributor Relations for all appropriate fees.

Rule 7-C Acceptance of Annual Processing Fee

Herbalife has absolute discretion to refuse any Processing Fee from any Distributor, without having to provide a reason for such refusal. In the event that Herbalife does refuse to accept a Processing Fee when due, the Distributorship will be deleted, the Distributor losing all rights and privileges of a Distributor. If a payment has been made, it will be refunded, unless applied to an outstanding debt of the Distributor, along with a written notice of the refusal from Herbalife.

Rule 7-D Non-Payment of Annual Processing Fee

In the event that a Distributor does not submit payment for the Annual Processing Fee by the date due, then Herbalife reserves the right to cease maintaining such computer records. Additionally, in the event that a Distributor does not submit payment, the Distributor will be deemed to relinquish their Distributor status and thereby all rights and interests in their lineage and Royalty Override or bonus entitlement.

Rule 7-E Rule for Rejoining as a Distributor

Any Distributor who resigns or who relinquishes their Distributorship due to non-payment of the Annual Processing Fee, or who ceases participating in a Distributorship, must wait a minimum of one (1) year before becoming a Distributor again under another Sponsor, or participating in another Herbalife Distributorship. This person may not become a Distributor again under another Sponsor, or participate in any other Distributorship, unless both the Distributor and their spouse, or other individual assisting in a Distributorship have remained completely inactive as a Distributor for at least the required one (1) year waiting period from the date of relinquishment, resignation or participation in the original Distributorship.

The period of inactivity for the Distributor must be complete and absolute for consideration to rejoin the Company as a Distributor or to participate in any Distributorship. This means that during the one (1) year waiting period the Distributor as well as their spouse or other individual assisting in a Distributorship may not:

- Be involved in the Herbalife business in any way.
- Purchase products other than for personal use, bought at full retail price.
- Sell any Herbalife products, literature or sales materials.
- Sponsor or offer the Herbalife business opportunity to anyone.
- Participate in Herbalife trainings or meetings whether sponsored by the Company or a Distributor.
- Participate in any way in promoting, assisting or supporting any Herbalife Distributorship.

An individual who was formerly a Distributor or who participated in a Distributorship and is re-applying to become a Distributor under a different Sponsor is required to advise Herbalife of the former Distributorship they were involved in and the conditions under which they ceased to be a Distributor or ceased participation in that Distributorship. Herbalife maintains the right to terminate any Distributorship where the Distributor failed to inform Herbalife of a prior Distributorship.

If the Distributor wishes to become a Distributor again under their original Sponsor, and that Sponsor has remained in the original organization, they may do so without a waiting period provided they have an Official Herbalife Distributor Kit (IBP) and complete and submit a new Application for Distributorship.

Rule 7-F Annual Processing Fee is the Responsibility of the Distributor

Herbalife endeavors to remind Distributors by mail at their last address listed with the Company, when the date for Annual Processing Fee is near. However, the responsibility lies with the Distributor to assure this Processing Fee is paid each year on the anniversary of their original application date.

Rule No. 8 Distributor Conduct

Rule 8-A Franchises or Territories

No Distributor shall represent or imply that there are franchises or exclusive territories available under the Herbalife Sales and Marketing Plan.

Rule 8-B Inducement to Sell Other Products or Services

No Distributor or their spouse or other individual assisting in a Distributorship shall offer, invite, encourage or otherwise attempt to induce any other Herbalife Distributor whom they did not personally sponsor, to join other companies or to purchase or sell products or services other than Herbalife products.

Violation of this rule carries a very strong penalty including possible termination of the Distributorship.

Rule 8-C May Not Associate Other Organizations with Herbalife

As previously stated in these Rules of Conduct, the Herbalife business is an equal opportunity, regardless of gender, race, religious beliefs or political affiliations. It is our philosophy that everyone has a personal right to their individual beliefs and the freedom to choose.

Therefore, when training your organization or other Distributors, selling products or offering the business opportunity, Herbalife Distributors are not permitted to promote, discuss or offer, any company, organization or individual other than Herbalife, its staff and its Distributors. Likewise, Distributors may not include literature or other material that promotes any other organizations or individuals, whether religious, political, business or social or that implies any association between Herbalife and any other organization.

Herbalife meetings may not be used as a forum to express personal beliefs or promote any other organization, company, event or individual.

Rule 8-D Business Activity in Unopened Country

The Herbalife business may be conducted in any country or territory that Herbalife International has opened for business and advises Distributors of these approved operations. Business activity of any kind, in any other country or territory, including but not limited to, selling products, attempting to register products or marketing plan, sponsoring Distributors, advertising, conducting meetings or in any way offering the Herbalife product or opportunity may be unlawful and is strictly prohibited by Herbalife. A Distributor's failure to comply with this rule may damage or endanger the future business opportunity for Herbalife and its Distributors and as such will be severely penalized, including but not limited to, financial sanctions, long-term suspension or termination of the Distributorship.

Rule 8-E Comply with Local Laws

Distributors must comply with all local, state and federal laws and regulations that apply to their Herbalife business and shall not engage in any business practice or activity that could discredit or damage the image or reputation of Herbalife. This applies not only to the laws where the Distributor lives but also to any country where the Distributor conducts their business as a result of taking advantage of Herbalife's International Sponsoring.

Rule 8-F Undesirable Selling Practices

An Herbalife Distributor shall not engage in high-pressure selling, but shall always conduct themselves in a courteous and considerate manner. All presentations of Herbalife products must be complete and truthful, including but not limited to, instructions on the usage directions and precautions included on the product label and any accompanying literature.

Rule 8-G Independent Distributors

All Herbalife Distributors are independent business persons and no Distributor shall represent or imply that they have any employment relationship with Herbalife International or with any of its affiliated companies. The use of the words "employee," "agent" or "company representative" either orally or on any stationery, business cards, or other printed material is strictly prohibited.

Rule 8-H False or Misleading Information

No Distributor shall knowingly submit false or misleading information to the Company.

Rule 8-I Maintaining Reputation and Image of the Company

No Distributor shall do anything detrimental to the reputation and image of the Company, its products, Distributors, trademarks or trade names.

Rule 8-J Indemnify Herbalife

Without prejudice to the other rights of Herbalife, under these Rules of Conduct and other rules and regulations of the Company, Distributors shall indemnify Herbalife from and against all actions, claims, demands, prosecutions, fines, penalties and the costs thereof, (including Herbalife's actual legal costs) which might be made or brought against Herbalife in respect of, or arising directly or indirectly out of, any breach of any laws or regulations applying to the operation of their Distributorship. Herbalife shall have no liability to any Distributor in respect of any cost, loss, damage or expense suffered by any Distributor directly or indirectly as a result of any act, omission, representation or statement of any other Distributor.

Rule 8-K Comply with Rules of Conduct

Distributors must comply with all Herbalife Rules of Conduct and Distributor Policies, other rules and regulations and any amendments or additions together with any procedures, recommendations, guidelines or instructions which may be issued from time to time by Herbalife.

Rule 8-L Violations of Rules of Conduct

Whenever there is any violation of the Herbalife Rules of Conduct or other rules and regulations and/or any procedures or directions issued by Herbalife, Herbalife may in its sole discretion take whatever actions or measures it deems necessary and appropriate, including but not limited to, suspension of buying privileges, suspension of earnings, monetary fines or deletion or termination of the Distributorship.

Rule 8-M Reporting Violations of Rules of Conduct

Every Distributor has the duty and responsibility to promptly and properly report any and all violations of the Distributor Rules of Conduct and all other rules and regulations published by the Company.

Rule No. 9 Resignation of a Distributor**Rule 9-A Conditions of Resignation**

A Distributor may resign their Distributorship for any reason at any time, by submitting a notarized letter of resignation to Herbalife Distributor Relations Department. The resignation becomes effective when received, validated and accepted by Herbalife. Herbalife will advise in writing when this is complete. If Herbalife does not receive the resignation letter or the conditions are not met, then the Distributor is still deemed to be a Distributor.

Rule 9-B Resigning within 90 Days

If within 90 days after signing the Application for Distributorship, a Distributor decides not to continue as a Distributor, they shall submit a written, notarized resignation to Herbalife; they may then return the official Distributor Kit (IBP) to their Sponsor who will provide them a pro-rata refund, i.e., a refund only for those unused Distributor Kit (IBP) contents that are still in good and resalable condition, (less a 10% handling charge or as determined by Herbalife.) After acceptance by Herbalife of a notarized letter of resignation, the rules for rejoining as a Distributor as indicated below and in all Rules of Conduct will apply.

For transactions occurring in Wyoming, the refund period may exceed 90 days provided the returned IBP contents are currently marketable and unopened.

Rule 9-C Eligibility to Rejoin as a Distributor after Resignation

Once the resignation is accepted, the Distributor and their spouse or other individual assisting in a Distributorship must remain completely inactive in the Herbalife business for a minimum of one (1) year from the date of Herbalife's acceptance of the resignation before being eligible to become a Distributor again or to participate in any Distributorship. See Rule 7-E for complete details on the terms and conditions of inactivity necessary to rejoin the Company.

Rule 9-D Liability for Unpaid Debts

A Distributor who resigns will remain liable for unpaid debts owed to Herbalife or for liabilities for violations of the Herbalife Rules of Conduct or other rules and regulations that govern the business practices of Distributors.

Rule 9-E Resignation of Spouse

In the event that one spouse of a Distributorship resigns their Distributorship then Herbalife reserves the right to terminate the Distributorship whether or not the spouse was a joint Distributor, if the activities of the resigned Distributor diminish, damage or weaken the reputation of Herbalife or its products.

Rule 9-F Inventory Repurchase

A resigning Distributor may return unused products or sales materials which are unopened and in resalable condition, for repurchase under certain terms and conditions, if the products were purchased from Herbalife within the last 12 months and the resigning Distributor provides proof of purchase. If the conditions are fulfilled, the Distributor will then be directed to return the products to Herbalife along with, if appropriate, their records relative to the 70% Rule. Within seven business days of the receipt of these items, reimbursement to the Distributor will be issued for the full amount paid for the returned product by the Distributor, less a 10% restocking fee, if all terms and conditions have been met. Shipping, packaging, handling fees paid on the original order or in returning those items to Herbalife will not be reimbursed.

Herbalife will deduct the amount of Royalty Overrides, Commissions, Production Bonuses and any other earnings or benefits paid on the returned products from the appropriate Distributors, and adjust qualifications as necessary.

Distributors residing in Wyoming may exceed the 12-month repurchase period provided all the above criteria has been met.

Rule No. 10 Responsibilities of a Sponsor**Rule 10-A Provide a Distributor Kit (IBP)**

A Sponsor must provide all Distributors they sponsor with an unaltered official Herbalife Distributor Kit (IBP).

In the event such sponsored Distributor wishes to return the official Herbalife Distributor Kit (IBP) within 90 days of submitting their Distributor Application, the Sponsor must promptly refund the value of products (pro-rata) returned in a saleable condition.

For transactions occurring in Wyoming, the refund period may exceed 90 days provided the returned IBP contents are currently marketable and unopened.

Rule 10-B Ensure Product Supply

A Sponsor is responsible for ensuring that their sponsored Distributors are able to acquire Herbalife products. Products should be supplied within a reasonable period of time. A Sponsor may supply them from their own inventory or service them through their Supervisor, if Distributors are non-Supervisors, or by ordering directly from Herbalife.

Rule 10-C Training

A Sponsor is responsible for properly training their personally sponsored Distributors on the products and their usage, the Sales and Marketing Plan, the Rules of Conduct and other Company rules, regulations and guidelines for Distributors. They may seek assistance from their upline Supervisor or TAB Team member but the primary responsibility is their own.

No Sponsor may require payment from a personally sponsored Distributor for training or training facilities unless they fully explain that the Distributor may choose whether or not they want to participate in such training and state in advance the cost for such training. If the Distributor declines to participate in such "paid" training, the Sponsor is obligated to provide basic training necessary to learning the business.

Rule 10-D Compliance with Rules of Conduct

A Sponsor is responsible to the best of their ability to ensure that each of their personally sponsored Distributors fully understand the Rules of Conduct and other Company rules and regulations, and their obligations to comply with those rules, and to endeavor to assure they conduct their business within these guidelines.

Rule 10-E Independent Relationship

A Sponsor must maintain and uphold the independent relationship between themselves and their Distributors.

Rule 10-F Support Company Sponsored Events

A Sponsor shall keep informed of Company sponsored events and when appropriate encourage their personally sponsored Distributors to attend Herbalife sponsored meetings and trainings and to participate and support all Company sponsored events.

Rule 10-G Failure to Qualify as a Supervisor

Whenever a Distributor who has not attained the level of Supervisor, personally sponsors a Distributor who then qualifies as a Supervisor before their original Sponsor becomes a Supervisor, the following will occur:

1. The sponsoring Distributor shall have a period of one year from the date of the sponsored Supervisor becoming fully qualified as a Supervisor to personally qualify as a Supervisor.
2. If the sponsoring Distributor fails to qualify as a Supervisor during the one year period, the sponsored Supervisor will be permanently advanced upline to the first qualified Supervisor within that organization.

Rule No. 11 Protecting and Maintaining Lines of Sponsorship**Rule 11-A Changes in Sponsorship**

The Distributor/Sponsor relationship is the foundation of the Herbalife Sales and Marketing Plan and as such the principles and rules of the Company protect the rights of the Sponsor. Changes of sponsorship are believed to be detrimental to the integrity of the business and as such, are discouraged and rarely permitted and then only under certain conditions and at the sole and absolute discretion of Herbalife.

Rule 11-B Inducement to Change Sponsors

In order to protect the Sponsor, no Distributor may interfere with the relationship between another Distributor and their Sponsor in any way. A Distributor may not offer, entice, encourage, solicit, or otherwise influence or attempt to persuade another Distributor to change their Sponsor or line of sponsorship, either directly or indirectly.

Rule 11-C Applying for Change of Sponsorship

A Distributor who wishes to pursue changing Sponsors must obtain a written, notarized release from their Sponsor and each upline Distributor, up to and including the three active Royalty Override receiving upline Supervisors and from the

upline active GET, Millionaire and President's Team members. These notarized releases must be submitted to Herbalife Distributor Relations detailing the reasons for this request and forfeiting all rights to the existing Distributorship if the request is approved. Only after all this documentation is submitted, will Herbalife review the request.

Fulfillment of any part of this requirement does not in any way imply or guarantee approval of the request.

The determination of this request will only be made by Herbalife Home Office in Los Angeles, California. Herbalife has sole discretion to approve or deny such request without providing justification for acceptance or rejection.

If such a request for change of sponsorship should be approved, the Distributor will not be permitted to bring any of their downline organization with them as part of the transfer.

If the request for a change of sponsorship is denied, and the Distributor is determined to change their Sponsor, the only remaining alternative is to resign their Distributorship, forfeiting current and future rights to their downline organization and both the Distributor and their spouse or other individual assisting in a Distributorship must remain completely inactive as a Distributor for one (1) year after the effective date of resignation before re-applying as a Distributor. Refer to Rule 7-E for complete rules for resignation and rejoining the Company. Herbalife has sole discretion in determining if the former Distributor and their spouse or other individual assisting in a Distributorship have met the conditions of inactivity when either of them re-apply as a Distributor. Herbalife does not guarantee that a Distributor who resigns will be accepted again as a Distributor.

Rule 11-D Penalty for Violation of the Change of Sponsorship Rule

Herbalife has sole and absolute discretion to rescind the acceptance of an Application for Distributorship from a former Distributor, at any time in the future if evidence is provided that shows the former Distributor or their spouse or other individual assisting in a Distributorship were not completely inactive the full one (1) year waiting period after resignation or non-payment of the Annual Processing Fee, failed to advise Herbalife of a prior Distributorship or did not otherwise meet the terms and conditions of the resignation or relinquishment as set forth in these Rules of Conduct. If Herbalife determines it is necessary to reverse an acceptance of a former Distributor due to a violation of the rules for protecting the lines of sponsorship, then Herbalife has sole and absolute discretion to assess whatever penalties are deemed necessary and appropriate. These include, but are not limited to, the transfer of all sponsored Distributors in the new Distributorship to the original Sponsor's organization, financial penalties, suspension and possible termination of the Distributor in violation of these rules.

Rule No. 12 Assignment, Sale or Transfer of Distributorship

Rule 12-A Not Permitted without Prior Written Consent from Herbalife

The Herbalife business and the benefits, rights and obligations therein are personal to the achievements of the individual Distributor. The sale, assignment or transfer of any right or interest in a Distributorship is not permitted without

prior written consent by the Legal Department, of Herbalife's Home Office in Los Angeles, California. Such requests should be forwarded to Distributor Relations who will submit to the Legal Department, on behalf of the Distributor when all necessary documentation is received.

Rule 12-B May Only be Assigned or Transferred to a Non-Herbalife Distributor

A Distributorship can only be assigned or transferred to an individual who is not an Herbalife Distributor. If the individual wishing to assume responsibility for the Distributorship was formerly an Herbalife Distributor, or participated in another Herbalife Distributorship, then they must meet all requirements of a former Distributor to re-join the Company.

Rule 12-C Retention of Status and Benefits

The achievements of a Distributor are personal to the individual, and as such, if an assignment or transfer should be authorized, the status and benefits achieved by the Distributor are not necessarily transferred with the Distributorship. The individual assuming responsibility may be required to achieve all qualifications for status and earning requirements after the assignment or transfer is made. This includes, but is not limited to, Supervisor status, TAB Team status, vacation qualifications or any other rights of the individual Distributor.

Rule 12-D Rule for Rejoining the Company

If the Distributor transferring or assigning the Distributorship wishes to become a Distributor again, they must maintain one (1) year of inactivity as defined by Herbalife in Rule 7-E after the assignment or transfer is completed before re-applying for or participating in another Herbalife Distributorship. Herbalife reserves the right to reject this re-application without having to provide justification for such rejection.

Rule No. 13 Distributors who Divorce or Separate

Rule 13-A Conditions of Separation or Divorce

Whenever a Distributor is in the process of a separation, divorce or dissolution of a marriage, the Distributor must ensure that the interest of the Distributorship and the Sponsor are protected.

Rule 13-B May Not Participate in Another Distributorship

During the separation, divorce or dissolution proceedings, neither of the parties may develop or assist in developing, either alone or with or on behalf of someone else, any other Herbalife Distributorship except under their original Sponsor and as defined in Rule 13-D.

Rule 13-C Rights to Continue a Distributorship Under Same Sponsor

However, married Distributors who have divorced or separated, may request to conduct an Herbalife business that is separate from their spouse, under their original Sponsor, and under certain guidelines and only with the approval of, and at the sole discretion of Herbalife. The sole

purpose of this is to allow a Distributor to continue conducting the Herbalife business and building an organization, without their spouse if they choose, but continuing under their same Sponsor.

For consideration, each person may submit a letter of request along with a newly completed and signed Application for Distributorship in their own individual name, under the existing line of sponsorship of the original Distributorship. A condition of this Distributorship is that the Distributor assures the original Distributorship will be supported and maintained as first priority. Under no circumstances may this new Application be under a different Sponsor except as noted in Rule 13-D. This Application for Distributorship, if accepted, is considered a Distributorship separate from, but associated with the original Distributorship, maintaining current status.

In these cases, the Monthly Volume and Royalty Point requirement for purposes of Royalty Overrides, Production or other bonuses is the same as is required in the original Distributorship. The Total Volumes and Royalty Points will be combined from all Distributorships of these Distributors to determine earning eligibility and qualification requirements. For example, suppose a married couple who are Millionaire Team members become divorced and each start a second Distributorship under the original Sponsor. As long as there are 3,000 Total Volume Points purchased in the three Distributorships combined, and the total Royalty Points for all three Distributorships equal 4,000 Royalty Points, then all three Distributorships may earn the full 5% Royalty Override and the 4% Production Bonus, assuming all other requirements were met. Both individuals must comply with the Ten Retail Customers Rule and the 70% Rule and any other requirements to earn Royalty Overrides. For Supervisor qualification purposes, each individual Distributorship is required to achieve necessary volume to meet Matching Volume requirements for Supervisors they are qualifying.

Rule 13-D Joining Under a Different Sponsor

It is not permitted for either spouse to sign an Application for Distributorship under a different Sponsor unless a one (1) year period of inactivity as defined by Rule 7-E, has been maintained following the legal disposition or filing regarding the Distributorship and Distributor is in compliance with all other rules and regulations.

Rule 13-E Authority of a Legal Decision

This associated Application as defined in Rule 13-C or 13-D, and any other Herbalife rules and regulations, in no way supersedes the dictates of any court of law as to the disposition of the Distributorship and or the rights, benefits or obligations of either party to the Distributorship.

Rule No. 14 Disposition of a Distributorship

Rule 14-A Death of a Distributor

Upon the death of a Distributor who has a surviving spouse or heir who is an active participant in the business, the Distributorship will remain with the spouse or heir. Any other disposition of the Distributorship must be approved by the Legal Department of Herbalife's Home Office, in Los Angeles, California.

Rule No. 15 Maintaining Supervisor Status

A Distributor who has achieved the status of Supervisor has shown willingness to accept a leadership role. In addition to the responsibilities of a Sponsor, a Supervisor is responsible for the following.

Rule 15-A Requalify Annually

Each Supervisor must requalify their status each year between February 1 and January 31 of the following year, by achieving the same requirements as the original Supervisor qualifications. That is, achieve 4,000 Volume Points in one month or 2,500 Volume Points in two consecutive months, with at least 1,000 Unencumbered Volume Points in each month. In addition to requalifying their Supervisor status, a Supervisor must assure their Annual Processing Fee is current and paid.

Supervisors who do not complete their Supervisor Requalification by January 31 will be demoted to the position of Senior Consultant, and will lose all rights and privileges of a Supervisor. This includes, but is not limited to, the loss of any lineage that includes a Supervisor, whether or not that Supervisor fulfilled the Supervisor Requalification requirements by January 31. In this case the entire downline lineage will be moved to the next upline Fully Qualified Supervisor.

Rule 15-B Teach Proper Advertising

Advise and teach downline Distributors the proper use of advertising as well as explaining the advertising rules and regulations and show proper use of literature and sales aids.

Rule 15-C Report Violations of Rules of Conduct

Report any violations of the Rules of Conduct or other rules and regulations of the Company and assist the Company in enforcing them.

Rule 15-D Conduct Regular Trainings

Train their organization on a regular basis, either by holding or organizing regular meetings, teleconferences or through fax or mail communications.

Rule 15-E Maintain Permanent Address

Maintain a permanent home or business address and provide this to both Herbalife and their organization so they may maintain contact with them.

Rule 15-F Ensure Proper Preparation of Distributor Documents

Ensure the proper preparation of Applications for Distributorships and Supervisor Qualification forms and require each Sponsor to send the appropriate copy to Herbalife immediately.

Rule 15-G Ensure Understanding and Compliance with Customer Refund Policy

Ensure that the Herbalife customer refund policy is thoroughly and properly understood and applied, and to intervene in any disputes between customers and Distributors to assure they are settled promptly and amicably.

Rule 15-H Keep Informed of Herbalife's Policies

Stay informed of Herbalife's policies by reading the Career Book and all material provided by the Company from time to time. Review these with downline organization to ensure they are aware of and understand them.

Rule No. 16 Purchasing Products**Rule 16-A Proper Purchasing of Product**

A Distributor must purchase all Herbalife products from their Sponsor, their first upline Supervisor (if their Sponsor is not a Fully Qualified Supervisor), or directly from Herbalife. Product sales purchased directly from Herbalife by Distributors who are not Supervisors, at a discount of less than 50%, are credited to the first upline Fully Qualified Supervisor's Personal Volume.

Rule 16-B Orders Purchased at 50% Discount

All product purchases eligible for a 50% discount (Supervisor orders) must be purchased directly from Herbalife and may not be purchased from an upline or other Distributor.

Rule 16-C Eligibility for Temporary 50% Discount

A Distributor who has completed a one-month Supervisor Qualification of 4,000 Volume Points is considered a **Qualifying Supervisor** until the first of the following month when they become a **Fully Qualified Supervisor**. As a **Qualifying Supervisor** they are eligible for a temporary 50% discount for the remainder of the Volume Month in which their 4,000 Volume Points were purchased.

Distributors who are qualifying for Supervisor in two consecutive months of 2,500 Volume Points, are not eligible for a temporary 50% discount. They become eligible for a 50% discount on the 1st of the month following completion of their two-month qualification when they are promoted to Fully Qualified Supervisor, providing the Supervisor Qualification form is approved and accepted.

Rule 16-D Authorization of Temporary 50% Discount Purchases

To activate the temporary 50% buying privileges, the first upline Supervisor must notify Herbalife and authorize the temporary 50% discount, before the order can be processed. The upline Supervisor must attest to and verify that the Qualifying Supervisor has achieved the necessary volume to complete the one-month Supervisor qualification. The upline Supervisor must have adequate Personal Volume credited with Herbalife in that month to qualify the Supervisor.

To assure volume on the order is credited properly, it is imperative that the order form be completed correctly. The Temporary 50% Purchaser must assure that their Name and ID number are entered on the Product Order Form in the **Temporary 50% - Qualifying Supervisor** space to assure proper crediting of volume. The name and ID number of the first upline **Fully Qualified Supervisor** who is authorizing the 50% discount must also be entered in the Fully Qualified Supervisor space. Adjustments to the order after the order is placed are not permitted. Volume purchased at Temporary 50% is considered Group Volume for the Fully Qualified Supervisor.

Rule 16-E If Temporary 50% Distributor Fails to Complete Qualification

If for any reason the Qualifying Supervisor does not complete the Supervisor qualification or Herbalife does not receive the Supervisor Qualification form on time or does not accept the Supervisor qualification for any reason, an adjustment will be made to move all temporary 50% orders back to a 42% discount, thus changing the volume from Group Volume to Personal Volume for the Supervisor. If this adjustment is completed after the Royalty Override process is concluded, then Commissions, Royalty Overrides and Production Bonuses that may have been paid incorrectly as a result of the temporary 50% discount order authorization will be adjusted and paid to their rightful recipient as well as adjusting any qualifications. The Supervisor who authorized the purchase must assure Herbalife that orders (volume) will be placed accurately in the future.

Rule 16-F Buying and Selling Products Outside Proper Line of Sponsorship

A Distributor is prohibited from buying products at a discount from any Distributor other than as authorized in Rule 16-A and 16-B. Likewise, a Distributor is prohibited from selling to any Distributor other than their downline personal organization, in keeping with Rule 16-A and 16-B.

Rule 16-G Orders Must be Paid By Purchaser

Payment for all orders purchased from Herbalife must be made by the Distributor designated as Purchaser on the order, their spouse or the first upline Supervisor if the Purchaser is a non-Supervisor, unless specific written approval is given to Herbalife for payment to be made by another individual. If written approval is given, it is for a specific order only and all subsequent orders will have above rules applied.

Distributors may not provide payment for product orders in another Distributor's name, unless a Supervisor is ordering for a non-Supervisor, which is considered the Supervisor's own Personal Volume.

Attempts to purchase products in another Distributor's name could be interpreted as attempts to improperly advance in the Marketing Plan.

Rule 16-H Unacceptable Forms of Payment

Distributors may not use the credit cards, personal checks or any other form of payment from their Distributors, retail customers or other individuals to pay for orders purchased from Herbalife.

Rule No. 17 Explanation of Sales Volume Month**Rule 17-A Definition of Volume Month**

Sales Volume is credited to and accumulated by a Supervisor on a Volume Month basis. The Volume Month begins on the first business day of the month and ends on the last business day of the month. If the last day is Sunday, the Volume Month will be extended to Monday. Likewise, if the last day of the month is considered a holiday, the month may be extended to the first business day after the holiday. Herbalife reserves the right to modify the Volume Month as it deems appropriate.

Rule 17-B Determination of Volume Month

Sales Volume is credited to the Volume Month in which the order is **both placed and full payment is received by Herbalife**, except for orders that meet the rules and conditions that apply to Add-On Sales Volume.

Under no circumstances can volume be placed for a prior order month, with the exception of a Matching Volume order.

Rule 17-C Add-On Sales Volume

All of the following conditions must be met for an order to be accepted as Add-on Sales Volume:

1. Order must be placed no later than the designated last order day of a Volume Month, plus
2. Full payment must be made, or initiated, by the same last order day of the month. If payment is mailed, then the postmark must be stamped the designated last day. If the payment is a wire transfer, direct deposit or other bank transaction, a receipt must be supplied to verify the transaction date was on or prior to, the last designated order day of the month, plus
3. Full Payment must be received by Herbalife no later than the 5th day of the following month. If the 5th of the month falls on a Sunday or a holiday, then the payment must be received by the 4th of the following month.

If for any reason, a payment is not approved for acceptance such as with a credit card, personal check or APS, then the order will be canceled and the volume will not be applied unless another order was placed and paid within the time periods indicated in these Rules of Conduct.

Rule No. 18 Matching Volume Requirements**Rule 18-A Definition of Matching Volume**

The definition of Matching Volume is the Total Volume a sponsoring Supervisor must achieve in any given Volume Month when their downline Distributor(s) are qualifying as Supervisor.

Whenever a Fully Qualified Supervisor sponsors a Distributor(s) to the Supervisor position, the sponsoring Supervisor's Total Volume must be at least the same amount as the Distributor's volume within that same Volume Month. Supervisors are not permitted to qualify Distributors as Supervisors using volume purchased in a prior Volume Month unless an equal amount is purchased from Herbalife in the current month to replace it.

Rule 18-B Matching Volume for Supervisor Qualification

The sponsoring Supervisor must have at least 4,000 Personal Volume Points for each of their downline organizations that are qualifying for Supervisor using a one-month qualification. The sponsoring Supervisor must have at least 2,500 Personal Volume Points each month for each of their downline organizations that is qualifying for Supervisor with a qualification of two consecutive months.

The sponsoring Supervisor, however, must have enough Total Volume to match all orders submitted by their downline Distributors who are qualifying for Supervisor.

For example, suppose a Supervisor sponsors a Distributor who qualifies for Supervisor in September with 4,000 Total Volume Points. If the orders to qualify are purchased directly from Herbalife, either at 42% by the Distributor or directly

by the Supervisor, the volume will be automatically matched. If the orders are purchased directly from the Supervisor, the Supervisor must ensure that an equal amount of volume is purchased from Herbalife during the qualifying month in order to match volume.

Rule 18-C Failure to Match Volume

When a Supervisor Qualification form is received from a Distributor, and the first upline Fully Qualified Supervisor does not have enough Total Volume Points for the month the qualifying Supervisor's volume was achieved, to confirm the orders submitted by the Distributor to qualify, then the fully qualified Supervisor is "short" Matching Volume. Herbalife will notify the Supervisor that they must place a **Matching Volume Order** for the amount they are short. The Order Department will be authorized to accept the Matching Volume Order for the appropriate month.

To place this volume, the order must be clearly identified as **Matching Volume Order for Month of _____**.

Rule 18-D Matching Volume Order

To receive proper credit for this volume, the order must be clearly identified as Matching Volume Order for the appropriate month and year, with full payment included. The order may not be combined with other volume. A Matching Volume Order can only be accepted by Herbalife if the Company has identified a Matching Volume problem and notified the Supervisor accordingly, and has authorized the Order Department to accept the order. This order will be applied to the Volume Month specified. Matching Volume Orders placed after the Volume Month in question do not count for Royalty Point qualifications for TAB Team Production Bonuses or other earnings for the Supervisor. However, appropriate adjustments will be made on the order to the upline Royalty and Production Bonus receiving Supervisors of the sponsoring Supervisor.

Rule 18-E Matching Volume Permanent Penalty

The Supervisor must place the Matching Volume Order once they have received notification to do so from Herbalife to avoid a penalty. If the Supervisor who is short volume, fails to place an order to Match Volume, a Matching Volume Penalty will be assessed. The penalty is that the Supervisor will permanently lose a Supervisor who qualified the month in question and that Supervisor's downline.

Rule No. 19 Customer Retail Receipts and Refund Policy**Rule 19-A Providing Retail Receipts to Customer**

A Distributor must provide an official completed Herbalife Retail Order Form to all retail customers when the sale is completed. This must list the products sold, the sales price, and the name, address and telephone number of the Distributor and the customer. Distributors are required to maintain their copy of all Retail Order Forms on file for a period of 2 years. Herbalife maintains the right to request copies of these and to verify the transactions and the terms and conditions of the sale and the service provided by the Distributor.

Rule 19-B Customer Refund Policy

The Herbalife products have a 30-day money-back guarantee for the retail customer. The thirty (30) days commences on the date the customer receives the product. When a customer requests the guarantee be honored, the Distributor must respond quickly and courteously. They may offer the customer a choice of a full refund of the purchase price or full credit for exchange of other Herbalife products in accordance with the return procedures set forth in the Career Book. The Distributor must honor the customer's choice. (See procedures on page 15 of the "Sales and Marketing Plan" section.) Customers residing in Wyoming may exceed the 30 day refund period.

Rule No. 20 Royalty Overrides and Bonuses**Rule 20-A Requirements to Earn**

To qualify for monthly Royalty Overrides, Production Bonuses or other bonuses offered by the Company, Distributors must meet sales production and Royalty Point requirements that are fully defined in the Marketing Plan Section of the Career Book or other literature and promotional material. Additionally, in order to earn these payments, Distributors must meet certain requirements for retail customers and product distribution and confirm those on the first of each month on the Earnings Certification Form. The additional requirements are defined below.

Rule 20-B Product Distribution

Herbalife is a wholesale/retail distribution company. Products purchased from the Company are intended to be sold and distributed to retail customers, downline Distributors or used for Distributors' and their immediate families' own personal consumption. The purchase of products primarily as an attempt to qualify for advancement in the Marketing Plan is not permitted.

Any such attempts will result in severe sanctions, including, but not limited to, demotion in team status, probation, suspension of buying privileges, suspension of earnings, disqualification from bonus participation, deletion or termination of the Distributorship.

Rule 20-C Ten Retail Customers Rule

A Distributor must make sales to at least ten (10) separate retail customers each month to qualify for and receive Royalty Overrides and the TAB Team Production Bonus or other bonuses paid by Herbalife. If the Distributor fails to provide confirmation to Herbalife of these ten (10) retail customers, the Royalty Override and the Production Bonus earnings will not be paid to the Distributor.

Rule 20-D The 70% Rule

In any given month, a Distributor must sell to retail customers and/or sell at wholesale to downline Distributors, at least 70% of the total value of Herbalife products they retain for resale in order to receive Royalty Overrides or Production Bonuses for that month's activity or to be recognized as a GET, Millionaire or President's Team member. If Distributors fail to certify this information each month, the Royalty Overrides and Production Bonuses will not be paid to the Distributor.

Rule 20-E Commission Payments for Downline Distributors

Since volume is accumulated by fully qualified Supervisors only, the Wholesale Profit or Commissions earned by downline Distributors, when their own downline Distributors purchase products from Herbalife, will be paid to the Supervisor. The Supervisor is required to pay these Commissions out to their downline Distributors by the end of the month the Commission payment is received.

Rule 20-F Maintenance of Records

Distributors must maintain records of all their product distribution for a minimum of 2 years. The records must contain the name, address and telephone number of the customer or Distributor to whom products were sold and complete information on products bought and amount and method of payment. These records must be provided to Herbalife immediately upon request. Herbalife maintains the right to contact retail customers and downline Distributors to confirm these transactions and the level of service provided by the Distributor.

Rule 20-G Debts Owed to Herbalife

If a Distributor owes Herbalife a debt, including but not limited to, any amount owing to Herbalife for products ordered, adjustments to earnings for inventory repurchases by downline Distributors or other earning adjustments, penalties assessed due to violations of the Rules of Conduct or other regulations of the Company, return of check or other form of payment for insufficient funds or past due Annual Processing Fees, Herbalife reserves the right to deduct the amount owed from any sum payable to the Distributor or to withhold payment of monies owed until such time as all amounts owing by the Distributor to Herbalife have been paid in full and/or may decide not to recognize any qualification until the amount due Herbalife has been paid or settled.

Rule 20-H TAB Team Production Bonus

This bonus is paid to TAB Team members who complete all the qualification requirements and who demonstrate leadership both within their organization and to all other Distributors. Any TAB Team member who is in violation of any of the Rules of Conduct, Distributor Policies or other rules and regulations of the Company may forfeit the right to participate in this bonus program. Herbalife, in its sole discretion, may determine a Distributor's eligibility to participate in this bonus.

Rule No. 21 Selling Practices for Herbalife Products**Rule 21-A For Sale Only in Authorized Countries**

Herbalife products are intended for sale and distribution within the specific countries for which those products are approved and produced. The sale of these products in any other country is strictly prohibited. Any violation of this rule may result in legal or regulatory problems for the Company and endanger the business for all Distributors. For this reason, the penalties to Distributors who violate this rule will be severe and may include significant fines, suspension of earnings payments, suspension of buying privileges and/or termination of the Distributorship.

Rule 21-B Directions for Use

Distributor shall explain the directions for use and cautions if any, specified on product labels when selling the products.

Rule 21-C Product Claims

Distributors:

Must not make any oral or written medical, therapeutic or curative claims about Herbalife products. If a customer is under a physician's care, Distributors are advised to recommend the customer consult with a physician before undertaking any changes in diet. Any person with heart, liver or kidney disorders or who is under current medical treatment, should always be urged to seek the advice of a physician before changing their diet.

Must not make any claims about the Herbalife products, either orally or in print, other than those presented in the International Business Opportunity Manual, Product Brochure or other official Herbalife literature.

Must not misrepresent in any way the price, quality, performance or availability of Herbalife products.

Rule 21-D Misrepresentation of Product Registration

All Herbalife products comply with all applicable federal, state and local laws and regulations. Distributors are not permitted to use the name of the FDA (Food and Drug Administration) when representing the Herbalife products.

Rule 21-E Indemnify Herbalife

Without prejudice to the other rights of Herbalife under the Rules of Conduct and other rules and regulations, Distributors shall indemnify Herbalife in respect to any costs or damages arising from any violation of Rule number 21.

Rule 21-F Product Sales to Non-Distributors for Resale

No Distributor may sell Herbalife products to persons who are not Herbalife Distributors and whose intention it is to resell those products.

Rule 21-G Modifications to Labels and Materials

A Distributor may not delete, add, modify or alter any labels, literature, material or packaging for any Herbalife product or literature including the official Herbalife Distributor Kit (IBP).

Rule No. 22 Displaying and Selling Products

The fundamental business of an Herbalife Distributor is the selling of Herbalife products.

Rule 22-A Display in Retail and other Establishments

No Distributor shall display Herbalife products in any retail establishments, including beauty and barber shops, health spas or gymnasiums, drug stores or pharmacies, groceries or health food stores, military stores, trade fairs, fairs, swap meets, fetes, open-air markets, conventions, schools, vendor carts, or any other location which Herbalife considers to be a retail establishment or to be otherwise unacceptable.

Rule 22-B Brochures, Flyers, Printed Material

It is permissible to have any Herbalife-produced or approved brochures, flyers, catalogs, magazines, business cards or other printed material on a counter top or table, but not presented in a display fashion.

Rule 22-C Sales Aids and Promotional Items

Any Herbalife-produced or approved T-shirts, caps, buttons, etc. may be worn in a retail location or other establishment identified in Rule number 22-A, but may not be displayed. The Herbalife banner may not be displayed in any place other than a Distributor's office or meeting. The banner may not be displayed outside of the office or meeting room. An Herbalife-produced or approved audio/visual recording may be played in such establishments as long as the video is not visible from the street or sidewalk.

Rule 22-D Distributor's Private Offices

A Distributor with a private office may sell Herbalife products from such an office provided that no products, signs, posters, flyers or brochures are visible from the street or sidewalk.

Rule 22-E Doctor's or Other Professional Offices

Doctors, healthcare or other professionals who are also Distributors may sell Herbalife products from their offices provided there are no products on display. It is permissible to have Herbalife-produced brochures or literature on a counter top or table, provided they are not presented in a display fashion.

Rule No. 23 Advertising and Promotion

Rule 23-A Approved Advertisements and Promotional Material

Herbalife endeavors to produce and make available effective promotional literature and sales tools for Distributors use in advertising or promoting their business. Likewise, the Company has approved many ads and flyers for production and use by the Distributor.

Distributors may produce their own advertisements provided they are truthful and accurate in content, make no therapeutic, disease or medical claims, do not imply an employment opportunity and otherwise follow all Rules of Conduct for Advertising.

Contact Distributor Relations for a listing of the current approved advertisements.

Rule 23-B Audio/Visual Recordings

A Distributor may not display or mention the name of any Herbalife products, trademarks or trade names in any audio/visual recordings made by, for, on behalf of, or at the direction of a Distributor, unless such recording has been approved for use by Herbalife.

Rule 23-C Television, Cable, Satellite or Radio Broadcasting

It is not permitted for any Distributor to broadcast any audio/visual recording of any kind that relates to, mentions, displays or promotes in any way, either directly or indirectly, the Herbalife name, products, materials, business opportunity or methods of conducting business except for the following approved advertisement:

Herbalife Independent Distributor
Call Me for products or opportunity
(Distributor Name and Phone No./Fax No.
or E-Mail Address)

Rule 23-D Television Advertising

In the event that Herbalife should broadcast on a television, satellite or radio station, no Distributor may advertise on that station or network at any time during the period beginning one hour before through one hour following the Herbalife broadcast, even though such advertisement may otherwise conform with Herbalife's Advertising or other Rules.

Rule 23-E Telephone Book Listings

Herbalife Distributors may list themselves in the telephone directory under the heading "Herbalife Distributor." The only information that may follow this is the Distributor's name, address, telephone number, fax number or e-mail address.

Display ads must conform to all Herbalife Advertising Regulations and the word "Herbalife" other than "Herbalife Independent Distributor," logos and/or trademarks of Herbalife International may not be used in any way other than as used in the approved advertisement. Categorical listings are permissible under accurate (non-medical, non-therapeutic and non-curative) headings. Accurate headings would include: Hair-Care Products, Skin-Care Products, Health Products or Nutritional Products and Weight Loss/Control. Distributors may use display ads as long as the advertisement is within the guidelines for print advertising as indicated in Rule 23, "Advertising and Promotion."

Rule 23-F Toll Free Telephone Numbers

Distributors may have a toll free telephone number, however, it is not permissible to use any Herbalife trademarks, trade names or slogans such as: "Herbalife," "Herbalife International," "Herbalifeline®" and "Cell-U-Loss®" in conjunction with the toll-free number. Distributors may only identify or list themselves as "Herbalife Distributor" or "Herbalife independent Distributor."

Rule 23-G Local Laws

In addition to Herbalife's policies, Distributors must comply with any and all local, state and federal ordinances, laws or other regulations when advertising or promoting Herbalife products or business opportunity. It is the responsibility of the Distributor to determine what these may be and how they apply to their business.

Rule 23-H Internet

Distributors must comply with all advertising rules and regulations when advertising on the Internet.

For complete information on how to use this media for advertising your business, contact Distributor Relations.

Rule 23-I Interviews or Statements to Media

Distributors from time to time may be approached by reporters interested in interviewing them about the Herbalife products or Herbalife business. While we appreciate any interest expressed in our products and business opportunity, only the Company may grant interviews or authorize advertising of the Company or product names. Only authorized officials of Herbalife are permitted to speak with or write to the press or other media for, or on behalf of, Herbalife or any of its subsidiaries. If a Distributor should be approached with a request for an interview or statement, advise the reporter to contact Herbalife. Likewise, Distributors are advised not to knowingly invite the press or media to an Herbalife meeting or event. Reporters should attend such an event accompanied by an authorized Herbalife representative.

Rule 23-J Approaching Authorities

Distributors are not permitted to speak with or write to government authorities for, or on behalf of Herbalife, or any of its subsidiaries, for any reason whatsoever, including, but not limited to, product approval, registration or importation. Distributors who represent themselves to government or quasi-governmental entities as "speaking for the Company," whether explicitly or implicitly, are subject to immediate termination.

Rule 23-K Offering the Products for Auction

No Distributor may (directly or indirectly through any intermediary) offer (or facilitate the offering) of any Herbalife product for sale by soliciting or receiving a bid for such product, including, but not limited to, soliciting or receiving a bid for any Herbalife product on the Internet, whether on a Distributor's web site, a commercial auction web site such as eBay or otherwise. The sale of Herbalife products on "auction" sites such as eBay is strictly prohibited, even where the sales are at fixed prices and do not involve bidding.

Rule No. 24 Sponsoring and Offering the Business Opportunity**Rule 24-A Franchises or Territories**

Herbalife does not have territories nor franchises. Herbalife provides an equal opportunity to all Distributors. As stated in Rule 8-A, no Distributor may represent or imply that there are exclusive franchises or territories available under the Herbalife Sales and Marketing Plan, when presenting or offering the business opportunity.

Rule 24-B Offering the Business Opportunity

When offering the business opportunity or presenting the Herbalife Sales and Marketing Plan, a Distributor:

- Must clearly indicate that the principle activity of a Distributor is to sell and distribute Herbalife products to Retail Customers and may not represent or imply that this is secondary to sponsoring or building the business.
- Must not imply or represent that a Distributor can benefit solely by the sponsoring of other Distributors.
- Must not imply that a Distributor is under any obligation to sponsor others to become Distributors.
- Must not imply that success may be achieved with little or no effort.
- Must not make any statements which are not accurate and truthful.

Rule 24-C Income Statements and Claims

When a Distributor promotes, offers or represents the earnings from their own or another Distributorship, they must at all times be truthful in their statements. It is necessary these claims can be verified.

Rule 24-D Must Retail and Qualify to Earn


A Distributor must clearly indicate that Royalty Overrides, Production Bonuses or other earnings of an Herbalife Distributorship may only be achieved through the continuing sales of Herbalife products to retail customers by themselves and their sponsored Distributors and after certain qualifications have been met.

Rule 24-E No Obligation to Purchase Product

No Distributor may represent that there is any obligation to purchase products, literature or sales aids except for the Herbalife Distributor Kit (IBP), nor may they represent that Royalty Overrides, Production Bonuses or other benefits may be obtained solely from the purchase of products rather than the sale of products.

Rule No. 25 Use of Trade Names, Trademarks and Logos**Rule 25-A Use of Trade Names, Trademarks and Logos**

It is not permissible to use Herbalife's trademarks, trade names, logos or any facsimile thereof in any way, without prior written consent by Herbalife. These belong exclusively to Herbalife which endeavors to protect the name Herbalife, the trademark, the trade names and designs of labels to prevent unauthorized use. Herbalife, or any of its subsidiaries, reserves the right to withdraw its consent at any time at its absolute discretion.

A trademark or logo is a proprietary name or symbol which Herbalife has the exclusive legal right to use. For example, the  **HERBALIFE** symbol and the word "Herbalife" are Herbalife trademarks. A trademark also includes the name used for a Herbalife product, such as "Cell-U-Loss[®]," "Herbalifeline[®]," etc.

A trade name is a business name which Herbalife has the exclusive right to use. Company names such as "Herbalife International of America, Inc." or "Herbalife of Canada, Ltd." are our legal trade names.

Rule 25-B Business Cards, Stationery, Letterheads, Check Books

Only the following information may be included on a Distributor's business cards, stationery, etc. that they produce themselves:

The name "Herbalife" in plain block letters (not the Herbalife logo) followed by "Independent Distributor."

The Distributor's name, address, telephone number, fax number or e-mail address.

"Call me for products" or "Call me for business opportunity" or other advertisement that is in compliance with the Advertising and other Rules of Conduct.

Business cards with the Herbalife logo are available for Distributors to download from <http://Kinkos.com/hrbl>.

Rule 25-C Addresses

The Herbalife International World Home Office address or the addresses of any Herbalife companies or offices may not be used by any Distributor.

Rule 25-D Use of Herbalife Name in Advertising

When advertising, Distributors may use the name Herbalife in the following manner:

"Herbalife independent Distributor. Call me for products."
(Name and telephone number, fax number or e-mail address.)

or

"Herbalife Independent Distributor. Call me for opportunity."
(Name and telephone number, fax number or e-mail address.)

For other approved advertisements that Herbalife provides, please call the Distributor Relations Department.

Rule 25-E Producing the Herbalife Trademark or Logo

A Distributor may not produce or procure from a source other than Herbalife any item bearing the name or logo of Herbalife or any of its trademarks or trade names.

Rule 25-F Mark Hughes

The name "Mark Hughes" may not be used in any form of advertisement.

Rule 25-G Use of Herbalife Name in TV, Radio, Magazines or Newspapers

The word "Herbalife" or the specific mention of any Herbalife products or pictures of products may not be used in any media advertisements, whether in print or audio/visual recordings, including but not limited to, newspapers, magazines, radio and television, other than as indicated in the rules for advertising.

Rule No. 26 Copyright of Herbalife Material**Rule 26-A Copyright Infringement**

No Distributor or any other person may reproduce in whole or in part any printed material or audio/visual recordings that have been produced by Herbalife unless given written authorization to do so by Herbalife. These materials are protected by copyright whether registered or unregistered and are considered proprietary to Herbalife.

Rule 26-B Consent for Reproduction

Distributors wishing to use full and exact reproductions of articles or materials contained in official Herbalife material such as the Herbalife Career Book, the Product Guide, *Herbalife Business Today Magazine*, audio/visual recordings or other literature, to be incorporated into presentations to their own Distributor organization or for informational purposes may do so only if they have received prior written approval from Herbalife and if such reproduction is followed by this statement: "Reproduced with the permission of Herbalife International. All rights to the Herbalife name and logo and any trade names or trademarks of Herbalife, are the property of Herbalife International and its subsidiaries or associated companies."

Rule 26-C For Use Only with Herbalife Business

Distributors may use Herbalife-produced literature or promotional material solely for the purpose of conducting their business as an Herbalife Distributorship.

Rule No. 27 Non-Herbalife Sales Aids and Materials**Rule 27-A Development of Non-Herbalife Material**

- Distributors may develop their own sales aids and materials for the purpose of building, training and motivating their own Distributor organization provided that the materials:
- Do not suggest or imply any specific level of income may be earned from the Herbalife business by following any specific method or system.
- Follow the Rules of Conduct and all other written rules and regulations of Herbalife.
- Do not become or are not perceived as an income-generating enterprise that is being conducted instead of, or in conjunction with, the Herbalife Distributorship.

Rule 27-B Promotion, Sale or Distribution of Non-Herbalife Produced Sales Aids or Materials

No Distributor may display, promote or sell any non-Herbalife generated sales aids, materials or programs at meetings or other functions conducted by Distributors or by Herbalife, unless the meeting consists solely of the Distributor's organization.

Likewise, a Distributor may not promote any non-Herbalife program, system or speaker, other than to their own downline Distributors.

The selling price of non-Herbalife produced materials to downline Distributors must be at a cost that is reasonable for the product being sold and comparable to similar such items.

Distributors are not permitted to sell or distribute any materials or sales tools that are not generated or distributed by Herbalife, to any Distributor other than their own downline organization.

A Distributor may distribute downline to the next status level that is equal to, or greater than, their own. To go below that status level, a Distributor must receive written authorization from that Distributor.

Distributors who sell or supply non-Herbalife produced sales aids and materials must provide a receipt for the purchase and must provide a 90-day money-back guarantee.

Rule 27-C Violation of Rules for Non-Herbalife Produced Sales Aids or Materials

In the event that Herbalife determines that non-Herbalife produced sales aids and materials supplied by a Distributor, violate any applicable law or the Herbalife Rules of Conduct or other rules and regulations published by the Company from time to time or impair the Herbalife business or damage its reputation, Herbalife reserves the right to instruct the Distributor to cease producing, supplying or distributing the sales aids and materials. If a Distributor violates this rule, Herbalife is entitled to sanction the Distributor, including termination of the Distributorship and hold the Distributor responsible for any costs, losses, damages or other liabilities suffered by Herbalife and/or its Distributors as a result of the production or distribution of such material.

Rule 27-D Lead Generation and Direct Mail

Some Distributors use lead-generation programs or direct mail to conduct their business. The Distributor must comply with all local, state and federal laws and the Herbalife Rules of Conduct as with any other method of conducting business.

Rule 27-E Sign-Posting, Pull-Tabs and Flyers

Distributors may not post any sign on (1) any public property, utility pole, street light, traffic light, parking meter, traffic sign or any other publicly owned property in, on or adjacent to any public street, highway, or other road rights-of-way or (2) on any private property. This restriction will apply even if any federal, state or local ordinance, law or regulation allows such posting of signs. If signs are posted on private property, the posting must also comply with all federal, state or local ordinances, laws or regulations, and otherwise follow all of Herbalife's Rules and Regulations.

Pull-tabs and flyers may be posted on any bulletin boards or other locations established for the specific purpose of allowing the posting of flyers and may also be posted or distributed in a manner specifically allowed by any federal, state or local ordinance, law or regulation.

Penalties for violations of this rule may include warnings, significant fines, suspension of buying privileges and/or termination of the Distributorship, in Herbalife's sole and absolute discretion.

ENFORCEMENT PROCEDURES

Introduction

1. Complaint Procedure
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Enforcement Procedures

Introduction

The Herbalife Rules of Conduct are in place to protect the business for all Distributors. Violations of these rules are considered extremely serious. Violations can have a significant negative impact on the business for all Distributors as well as negatively influence the opinion of regulators, the media or the public about Herbalife, its products and Distributors. Herbalife attempts to educate our Distributors as to appropriate ethical business practices. In the event of a violation, the Company attempts to correct the violation by counseling the Distributor. However, more severe measures may be required in more serious cases, including, but not limited to the following:

- Suspension of buying privileges
- Suspension of earnings
- Temporary or permanent suspension from the TAB Team Production Bonus
- Suspension from speaking at an Herbalife function
- Financial penalties or sanctions
- Termination or Deletion of the Distributorship

1. Complaint Procedure

- A. Upon learning of a violation of the Rules of Conduct or other rules and regulations, a Distributor must attempt to contact the Distributor in violation, advise them of the appropriate guidelines of the Company referencing the section in the Rules of Conduct and discuss the matter with them. The complainant should then advise the Distributor in violation of the purpose of the rule and how the Distributor should correct their conduct.
- B. If the alleged violator shows by word or conduct that they are unwilling or refuse to cooperate, then the Distributor should report the violation to the Company. This must be done in writing and can only be accepted by Herbalife on an official complaint form which can be obtained through Herbalife's Distributor Relations Department. The details required will include the nature of the complaint and specific details to support the allegations, such as names, addresses and telephone numbers of all persons involved; dates, times, places, etc. It is important that the complainant provide specific details to prove the violation. Herbalife is not able to investigate or take action on insinuations or speculative infringements. The official complaint form must be signed and include the complainant's Herbalife ID number. Anonymous complaints cannot be made the basis for disciplinary action.
- C. The Distributor reporting a violation of the Rules of Conduct should notify their upline Supervisor of the violation they have seen and advise them of the actions they've taken to attempt to correct the violation.

- D. Upon receipt of an official complaint form with sufficient details and facts, Herbalife will notify the appropriate Distributor(s) of the complaint and request an immediate response to the allegations. All parties will be afforded the opportunity to present evidence and argument in writing to the Company. Herbalife considers all complaint information to be strictly confidential.
- E. If the complaint and/or the response received do not have enough evidence to prove a violation has occurred, Herbalife may request additional information from any party.
- F. When Herbalife has received all information of the facts and circumstances related to the complaint, Herbalife shall determine whether there has been a violation of the Rules of Conduct or other rules and regulations.
- G. In its sole and absolute discretion, the Company may impose any remedy or sanction it determines best addresses the issue. Sanctions may include a warning, probation, suspension, fine or termination.
- H. Herbalife will issue a letter to the Distributor in violation, their Sponsor, their three upline royalty-receiving Supervisors and in some cases their three upline Tab Team members. The letter will state the specific complaint, the penalty and the corrective action to be taken. In some cases, a time limit will be established to comply with the company's requests.
- I. If the Distributor in violation does not take the necessary corrective action, Herbalife will take further action against the Distributor as deemed appropriate and necessary.
- J. If Herbalife has determined a Distributorship is to be suspended or terminated the following procedures will apply.

2. Suspension of a Distributorship

- A. The Distributorship of a violating Distributor may be placed in suspension at any time by Herbalife for any reported complaint with supporting facts or violation of the Rules of Conduct or any of Herbalife's Rules and Regulations. Suspension may include any or all of the following:
 - Suspension of buying privileges
 - Suspension of payment for Royalty Overrides
 - Suspension of payment for Tab Team Production Bonus
 - Suspension of awards or benefits, i.e., Vacations, Pins
 - Suspension from Speaking at the Corporate Training Seminars or other meetings representing the Company for up to one year
 - Prohibition from attending any Corporate Event, even if Distributor has qualified for this event.
 - Suspension of any qualifications that may be in progress
- B. Herbalife reserves the right to publish the violating Distributor's name, violation and penalty at its sole discretion.

3. Termination or Deletion of a Distributorship

- A. Herbalife maintains the right to terminate or delete a Distributorship at any time with or without giving prior notice whenever it deems this is the necessary and appropriate action.
- B. Termination means the complete cancellation of a Distributorship and revocation of the Distributor's right to conduct the Herbalife business. This includes cancellation of their right to receive any further income from the Distributorship whether accruing before or after the termination date. The termination is effective on the date indicated in the written notification from Herbalife to the Distributor.
- C. In cases of Dual Distributorships and other similar infringements, the Distributor may be allowed to continue as an Herbalife Distributor but must do so in the proper line of sponsorship, as determined by the Company in the application of the Rules of Conduct. In most cases, the downline lineage of the deleted Distributorship's organization will be moved to the rightful line of sponsorship, with the Distributor.
- D. Upon termination or deletion of a Distributorship for any cause pursuant to these rules, the Distributor will have no claim against Herbalife as a result of the termination or deletion.

4. Procedures for Appeal

If a Distributor wishes to appeal a decision reached by Herbalife in cases concerning suspension, monetary sanctions, termination or deletion of a Distributorship, the Distributor has 15 days from the date of receiving written notification from Herbalife advising of the decision, to submit additional information or facts they believe should be considered. If the request for appeal is not received within the allotted period of time, the request will be denied.

The Distributors involved in the dispute may provide evidence and additional proof they believe may be relevant to the decision by Herbalife. However, Distributors must advise why this information was not provided during the initial investigation.

Herbalife will advise the Distributors in writing of the results of their appeal. This decision does not create liability on the part of Herbalife to pay compensation to the Distributor for loss of profits or goodwill.